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NEWS SUMMARY

GENERAL

...L will ...pen the ...ates on Monday

...will open the gates of its ...gbridge, *Birmingham*, car ...t on Monday in the hope ... workers will have had ...ugh of the three-week tea-...ak strike.

...he company is mounting a ...licity campaign to persuade ... strikers to go back—and ...terday's announcement, in ...trast to previous statements, ...tained no dismissal threats.

...egotiators for the 54,000 ...d workers worked on pro-...als they hope will end the ...pute with the company on ...ciency measures which are a ...ndition of a 7.4 per cent pay ...er.

...Esso shop stewards voted to ...commend a strike by the ...mpany's oil and petrol tanker ...vers and distribution ...rkers. Back Page

...olish strike ban

...lish Premier, General ...ojciech Jaruzelski, told the ...mmunist central committee ...at the Government will press ...ead with a law banning ...rikes. Page 2

...ne survivor

...clinging to an over-...rned lifeboat appeared to be ...e only survivor of the 24 crew ...ho bandoned a West German ...eighter in rough seas off ...ermuda.

In the Philippines, the death ...ll from Typhoon Irma rose to ...4. Giant waves swamped ...astal villages.

...ustrians jailed

...ine Austrian businessmen ...ere jailed for terms of up to ...ne years for corruption and ...x evasion in connection with ...ilding a Vienna Hospital, still ...finished after 20 years.

...ycling MPs

...urope's first four Ecologist ...arty MPs cycled to the Belgian ...ssembly to take the seats they ...on in the November 8 elec-...on.

...nne barracked

...emonstrators shouted "Royal ...tcher" and "Meat is murder" ...hen Princess Anne opened an ...3.7m abattoir at Edinburgh. ...he watched the skinning and ...isembowling of sheep carcases.

...earer air fares

North Atlantic air fares, ...cently cut sharply by such ...ajor airlines as British Air-...ays, Trans World, and Pan ...merican, are likely to rise ...etween 5 and 10 per cent in ...nuary—if the airlines can ...ree. Back Page

...1m arson charge

...former employee, aged 28, ...as charged with arson follow-...g the fire that caused £1m ...amage at a Louth, Lincs, ...astics factory.

...eatles on map

...iverpool has put the Beatles ...n the map, at last, sanctioning ...ese road names: John Lennon ...rive, Paul McCartney Way, ...eorge Harrison Close and ...ingo Starr Drive.

...riefly...

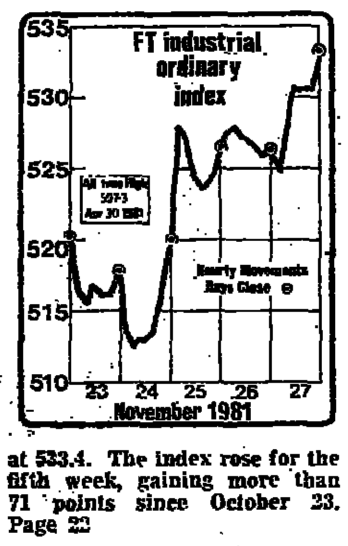
...uropean record for a coin was ...et at Geneva auction when a ...870 Spanish Provisional ...overnment 100-peso gold coin, ...etched £110,000.

...our Turks rowed to Greek ...land Kos, seeking political ...sylum.

BUSINESS

Equities rally to close up 7.3

● EQUITIES were undaunted by the threat of tanker drivers' strikes. The FT 30-share index, down 1.4 at 10 am, closed up 7.3



at 533.4. The index rose for the fifth week, gaining more than 71 points since October 23. Page 22

● GILTS advanced on rising U.S. bond values and the continuing strong pound. The FT Government Securities index added 0.04 to 64.40. Page 22

● STERLING rose to $1.9565, a gain of 1.7c, DM 4.3350 (DM 4.3150), SwFr 3.4725 (SwFr 3.45) and FFr 10.93 (FFr 10.8750). Its trade-weighted index was 91.9 (91.3). Page 21

● DOLLAR eased to DM 2.2145 (DM 2.2250), SwFr 1.7740 (SwFr 1.7775) and Y215.4 (Y216). Its index fell to 105.3 (105.6). Page 21

● GOLD Comex December close in New York was $414.0 ($412.5). Page 21

● WALL STREET was up 8.47 at 886.61 near the close. Page 18

● HONG KONG's stock exchanges should establish quality control over new issues, Financial Secretary John Brembridge said. Page 19

● NATIONAL ENTERPRISE Board aims to make an overall 10 to 15 per cent profit in the next four years on the sale of high technology and regional companies. Back Page

● LINWOOD AUCTION of machine tools and factory equipment at the former Talbot car plant is thought to have made about £5m. Back Page

● MOTOR INDUSTRY research and development contribution from the Industry Department is likely to be more than £9m next year. Page 3

● MANUFACTURING industry will soon face the choice of automating or liquidating, Industry and Information Technology Minister Kenneth Baker said. Page 3

● SOVIET INDUSTRY will have to pay more than 40 per cent extra for coal and gas to try and force it to save fuel. Page 2

● SECURITY PACIFIC, the Los Angeles-based bank, plans to set up a stockbroking division. Page 19

● *REDIFFUSION LTD*, TV rental and electronics group, raised half-year taxable profits to £7.54m (£6.97m). Page 16; Lex, Back Page

● TOMKINSONS Carpets' pre-tax profits rose 160 per cent to £355,000 in the 53 weeks to October 3 on the elimination of interest charges. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 3pc '85	£72¾	+ ¾
BAT Inds.	350	+ 9
Courtaulds	74	+ 5
...isons	145	+ 10
Fobel Int.	26	+ 2½
...BC	761	+ 8
House of Fraser	150	+ 6
...CL	51	+ 4
...CI	294	− 10
Initial Services	231	+ 9
...al. Timber	83	+ 5
Johnson Gp. Cl'n'rs	215	+ 11
Lloyds Bank	445	+ 15
Midland Bank	335	+ 13
Phoenix Timber	106	+ 14
Pilkington	293	+ 11
Press (Wm.)	70	+ 3
Rank Orgn.	165	+ 12
Tomkinsons Carpets	63	+ 10
Trafalgar House	95	+ 4
Turner and Newall	89	+ 4
Wimpey (G.)	95	+ 6
Carless Capel	153	+ 9
Shell Transport	408	+ 12
Castlefield (Klang)	390	+ 20
Gopeng Cons.	520	+ 27
Kamunting	88	+ 8
RTZ	480	+ 12
FALLS:		
Hambro Life	320	− 10
Phoenix Assurance	260	− 4
Rediffusion	167	− 13
Standard Telephones	445	− 10

Thatcher settles for limited gains at EEC summit

BY JOHN WYLES

THE PRIME MINISTER was *forced last night to settle for* only limited gains at the end of an EEC summit in London which laid the foundations for development of new Community policies. It eventually stumbled badly over key elements of agricultural reform.

Mrs Thatcher was supported by Chancellor Helmut Schmidt of West Germany.

Her pressure on fellow Heads of Government to focus on extremely complex, technical issues turned the meeting at Lancaster House into a marathon runing late intothe afternoon.

But *at the end of it all* the Prime Minister and here EEC colleagues had to pass the negotiating baton to a special meeting of Foreign Ministers next month.

This will attemp to break the impasse on four key issues and to establish the basis for a medium-term deal limiting Britain's future payments to *the Brussels budget.*

The Foreign Ministers are supposed to make recommendations to the Heads of Government, who will then try to endorse an agreement.

Although the Lancaster House meeting's concrete achievements were somewhat *more slender than appeared* likely on Thursday evening, the Heads of Government were apparently unanimous afterwards *that their two-day debate* had not been a failure.

Mrs Thatcher claimed that

DR ANDREAS Papandreou, the Greek Premier, last night cast doubt on his country's membership of the Community. He rejected moves to strengthen the political union of the ten.

"I cannot assure the Greeks that it will be possible to take the measures necessary within the Community which would grant Greece the necessary special status," he told a Press conference soon after the summit meeting.

the summit "had got a very *long way." President Mitterrand* thought it had produced "an interim solution," while Herr Schmidt said that the summit had been "not without merit." and confidently predicted that the Foreign Ministers would soon find an agreement.

As Mrs Thatcher stressed repeatedly last night, agreement on an EEC reform package is conditional ... settlement of each of its three *elements — non-agricultural* policy developments; changes to the Common Agricultural Policy; and a new budget deal *for the UK.*

On the last point she made clear that a new arrangement, running for only three years—*a duration favoured by both M* Mitterrand and Herr Schmidt—would be unacceptable.

"This is the second time that I have argued for budget arrangements, and I am only half way through my initial *term of office," she said.*

The task now passed on to the bapless Foreign Ministers underlines the fundamental clash of national interests among the Ten over the future of CAP.

While, as Mrs Thatcher and other Heads of Government claimed last night, the political will may now exist to forge new agreements, there is little doubt that the majority of States ehavly dependent on agriculture —notably France, Ireland Denmark and Greece—continue to aim for the loosest possible controls on CAP costs and the *maximum omount of protection*

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Ten will tackle inflation and jobs, Page 2

Government will extend loan guarantee to ICL

BY GUY DE JONQUIERES

THE GOVERNMENT will *extend the life of its loan* guarantee to ICL, Britain's financially troubled large computer manufacturer, from two *to five years.*

But the value of the £200m guarantee, which was issued last March, will be reduced in stages from March 31 1983. It will be cut by £50m each year until it expires in March 1986.

Mr Patrick Jenkin, the Industry Secretary, said in a Commons written reply yesterday the extension was to enable ICL to achieve "a smooth transition to normal financial arrangements in the longer term."

The company had assured *him the extension should meet* its needs, and it must now draw up its corporate plan on the basis that no further Govern*ment support of this kind would* be provided

ICL's four main banks had also agreed to continue lending *to the company* at "a significant level" above the amount covered by the guarantee, Mr Jenkin said. They were prepared to exceed the guarantee *ceiling by £70m in the first year* of the extension.

ICL said the banks might also continue to hold some of the *company's special preference* shares after the start of the extension period. The banks agreed earlier this year to convert £50m of *their loans into* preference shares, to be redeemed in March 1983.

The Government's decision to extend the guarantee, after a full-scale review of ICL's financial position, suggests it believes the company might need *longer* than was first expected to recover to the point where it can carry out a major *capital restructuring.*

ICL, which is due next month to announce its results for the year ended September 31, made *a first half loss of £50.6m It said* yesterday it expected to be "financially viable" by March 1983.

Mr Christopher Laidlaw, ICL's chairman, has been in intensive talks with City institutions for several weeks on capital reconstruction proposals *and on the financing of ICL's* marketing and technology agreement with Fujitsu of Japan.

The *Japanese Export-Import* Bank is insisting that ICL provide it with guarantees worth about £100m in exchange for agreeing to finance the export of large Fujitsu computers, which ICL plans to market in Europe.

ICL said yesterday it had still not decided whether such financing would be needed. It said Fujitsu had not asked the British Government to guarantee ICL, and there were no plans for any equity sale to the *Japanese company.*

There was an understanding with the Government that the loan guarantee might have to *be extended when the company's* new management was installed last May, ICL said.

No new legislation will be *needed to extend the guarantee.*

Minister warns manufacturers to "automate or liquidate" Page 3

Dunlop takes tennis rival to court

BY PAUL BETTS IN NEW YORK

THE U.S. tennis ball market, which has been enjoying something of a boom as a result of the increasing passion Americans are showing for tennis, is now at the centre of an acrimonious anti-trust case.

Dunlop Tire and Rubber, the U.S. subsidiary of Dunlop Holdings, yesterday sued one of its main rivals in the U.S. *tennis ball market, alleging* that it is being unfairly beaten out of the business.

Dunlop filed the suit in a Los Angeles federal court against Pepsico, which owns Wilson Sporting Goods, the manufacturer of the popular Wilson tennis balls.

The Dunlop suit contends that Wilson currently controls more than half of the U.S. tennis ball market and that it has "sold and offered to sell tennis balls below cost" to wipe out competition.

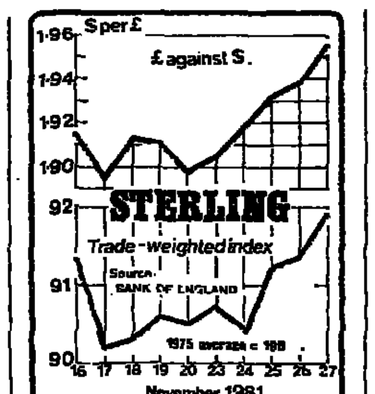
Pepsico last night declined to comment on Dunlop's legal action, which also charges that "anti-competitive conduct" by Wilson forced one tennis ball manufacturer, the Spalding division of Quester Corporation, to "essentially withdraw" from the market last year.

Dunlop said only three U.S.-based companies continue to make tennis balls. Apart from Dunlop Tire and Rubber, the others are Wilson and Penn Athletic Products Company.

Dunlop is seeking treble damages, although no specific sum of money was stated in the law suit. It is also seeking an injunction which would bar Wilson from violating federal and state anti-trust laws.

Dunlop lawyers are also alleging in the suit that Wilson illegally sold tennis balls to large customers at substantially lower prices than to small customers.

Wilson, they said, had underundermined competition for large volume tennis ball accounts by entering into long-term contracts in which, they alleged, large volume customers agreed to buy all their tennis balls from Wilson.



Sterling rises to $1.9565

BY MAX WILKINSON

STERLING yesterday reached its highest point against the dollar in London since June after steady gains throughout the week.

At the close it was up 1.7 cents compared with Thursday at $1.9565. This represented a gain of 5.7 cents on the week and reflected the continued lower trend of U.S. interest rates.

The trade-weighted index was *also up 0.6 yesterday at 91.9*—a gain of 1.4 points on the week.

The firmer sterling and the trend of U.S. interest rates helped to achieve modest gains, with the Government Securities index up 0.4 on the day at 64.4. The FT 30-share index also improved, gaining 7.3 to 53.4 as a result of some solid if unspectacular buying yesterday.

The ... downward drift of UK ... continued, with a fall of the Treasury Bill rate from 14.31 per cent last week to 13.76 per cent.

However, there has been a continual shortage on the money markets, totalling £1.2bn, with assistance from the Bank totalling £1.4bn

There was a feeling in the markets that the Bank may have *been selling sterling both to* ease the shortage of funds and to moderate the exchange rate rise.

The key seven-day interbank rate — which determines the prospect of a cut in the clearing banks' base lending rates—*fell* by ½ point yesterday

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Heath hints at post-election pact with SDP

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

MR EDWARD HEATH, the former Tory Prime Minister, yesterday added to the Government's embarrassment over its spectacular Crosby by-election defeat by publicly *making* himself available to join a coalition government with the Social Democratic Party after the next General Election should no single party achieve an overall majority.

As all other senior Tories publicly tried to minimise the long-term significance of the Crosby results, Mr. Heath used *the Tory defeat to support* his repeated calls for a change of direction.

The Government, he said *on Thames Television, had* alienated many people, particularly among the unemployed. "If you go on with Crosby after Crosby *after Crosby until a general* election you will have another sort of government."

It couldw be that no party would secure an overall majority, he said. In those circumstances he would be prepared to "help the country" where he could be of service. There might be "one or two invitations" which would be *acceptable.* He stressed, however, he would not join the SDP while it remained essentially a "socialist" party.

Yesterday was a *day of gloom* and post-mortem examinations for the two existing major parties and of jubilation and *forward planning* for the Liberals and Social Democrats.

By converting a Tory 19,272 majority to an SDP majority of 5,289 Mrs Shirley Williams achieved the biggest by-election reversal since the Second World War. SDP - Liberal Alliance members claimed there was a real chance they could win the next general election.

Mrs Williams, before starting a three-hour victory drive around Crosby, said she was *confident of holding the seat* in that election. The Alliance, she said, was on the road to replacing Labour as the main opposition to the Tories.

Buoyed by the Crosby result and last month's Alliance victory at Croydon North-West, the Liberals and Social Democrats were *confident* Mr Roy Jenkins and Mr John Pardoe, the former Liberal economics spokesman, would soon follow *Mrs Williams back* to Westminster.

Privately, senior Tories conceded the result showed the Alliance was establishing itself as the real opposition to the Tory Party and as such represented a major threat to the party.

In public, however, Mr Cecil Parkinson, Tory Party chairman, and Paymaster-General, tried to dismiss the SDP as a passing phenomenon born out of the usual mid-term anti-government protest movement and of the divisions in the Labour Party.

Mrs Thatcher is expected to lead a new campaign by ministers over the next few months, simultaneously to improve the Government's image and to brand the SDP as just another socialist party.

Mr Michael Foot, Labour leader, saw the result as further evidence of the damage done to Labour by the highly-publicised split in its ranks ove rthe past year. Moderates said it showed just how essential it was for the party to adopt more realistic policies and abandon the left-wing policies on key issues like defence which formed the basis of the Labour campaign

Mrs Williams won the seat on a swing of 25.5 per cent against the Government. As Tories said yesterday, this was less than that by the Liberals in their most spectacular by-election successes like Orpington, and Sutton and Cheam.

Mrs Williams's win means she has an advantage over Mr Jenkins in contesting the SDP leadership at Westminster. If, as expected, Mr Bob Mellish retires early next years as Labour MP for Bermondsey, Mr Jenkins will want to fight the seat. Thereafter, priority for Social Democrats and Liberals would probably be restoring Mr John Pardoe and Social Democrats Dick Taverne and David Marquand.

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OVERSEAS NEWS

Jaruzelski promises law banning strikes in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

A NEW LAW banning strikes is to be introduced in Poland, Gen Wojciech Jaruzelski, the Communist Party leader, told a meeting of the party's Central Committee in Warsaw yesterday.

A draft of the Special Measures Act banning stoppages has already been sent to Parliament and is expected to be given its first reading at the next session, a date for which has yet to be announced.

Under special accelerated procedures the law could be passed within a week.

It will, however, come up against opposition in the Chamber, and it remains to be seen if the party will win a consensus on the issue, which until now has been the custom.

The move was seen yesterday as an attempt to put more pressure on Solidarity to make concessions to the Government and agree to the authorities' conception of "national accord."

Evidently, the authorities are counting on the growing feeling against strikes among the population to give the Act some credibility.

In any case, the Solidarity leadership is increasingly aware that strikes harm its image, and they are turning to other forms of protest.

The continuing cycle of strikes which has plagued the country for the past year will lead to a 15 per cent drop this year in national income—the Communist equivalent of gross domestic product—the committee was told.

A much-delayed decision on sharp increases in many prices will be made around February, party secretary Mr Marian Wozniak told the session.

The authorities would also start the process of decentralising the economy in the New Year, he said.

Speakers at the meeting came out in favour of the idea of agreement with the Catholic Church and Solidarity in a "Front of Accord," but stressed that the party's dominant position must be retained and complained that the party leadership had not explained what was actually involved.

Soviet fuel price rises 'aim to boost efficiency'

BY DAVID SATTER IN MOSCOW

THIS week's decision by the Soviet Union to increase by over 40 per cent the cost of coal and gas supplies to its industries is intended to force inefficient factories to save fuel, according to Planovoye Khozyaistvo, a monthly planning journal.

From January 1, the cost of gas to manufacturing plants will rise by 45 per cent and the cost of coal by 42 per cent. The cost of electricity will also rise, by an unspecified amount.

Although the Soviet Union has vast energy reserves, the economic system is based on quantitative indices of production and has no mechanism for rewarding energy conservation. In the past, factory directors have frequently made little effort to conserve resources.

The journal said that prices for raw materials would also be increased as of January 1, with timber prices rising by 40 per cent, prices for non-ferrous metals by 14 per cent.

The rises will bring prices into line with the real costs of energy and materials, the journal said, but the real aim was to force more economic production methods.

W. Berlin reverses ruling

BY LESLIE COLITT IN BERLIN

THE West Berlin city government has backed down on its controversial ruling last week to deport young foreigners at the age of 18 who have not lived there for five years.

The deportation order by the ruling Christian Democrat (CDU) government came under heavy attack from the opposition Social Democrats and the 120,000-member Turkish community in Berlin and has now been referred to a parliamentary committee. It is likely to be repealed in the near future.

Herr Heinrich Lummer West Berlin's Interior Minister, said that young foreigners already in Berlin will not now fall under the decree, but only those who enter the city from now on.

Belgian steel combine call

BY LARRY KLINGER IN BRUSSELS

THE European Commission yesterday called on Belgium to begin immediate talks on the proposed restructuring and modernisation of the big Cockerill-Sambre steel combine located in the economically depressed French-speaking south of the country.

In a letter to the caretaker government led by outgoing Premier Mark Eyskens, the Commission calls on Belgium to set out in detail its plans to rejuvenate the group, which says it needs an extra BFr 90bn (£1.24bn) to restructure itself over the next eight years.

The EEC has already set aside about BFr 8bn for modernisation projects broadly agreed with Belgium. But the Commission is demanding firm assurances that the loss-making concern has a chance of surviving before it will commit Community funds.

Belgium lodged its latest proposals with the Commission on October 2.

Labour may have edge in New Zealand

New Zealand could have a Labour Government tonight after an election that most analysts have found the most difficult to forecast for 50 years, our Foreign Staff reports.

Labour needs only a 1 per cent swing for victory, and there is widespread discontent over an inflation rate of 15 per cent, and unemployment of 5 per cent.

The poll has been complicated by the recent South African rugby tour, which deeply divided New Zealanders.

Mr Robert Muldoon, the Prime Minister and leader of the National Party, and Mr Bill Rowling, Labour Party leader, have both said that the election will decide the country's future for much more than the three-year term of the winner.

S. African arrests

The South African Security Police yesterday detained 12 people in Johannesburg and Durban, including several prominent radical trade union leaders. They are being held under Section 22 of the General Laws Amendment Act, and can be held for up to 14 days without charges, writes J. D. F. Jones in Johannesburg.

Tehran bombs

Bombs exploded in the largest department store in Tehran yesterday, killing two and wounding 15, according to Iran's revolutionary police, AP reports from Beirut.

Arms talks warning

Paul Nitze, the U.S. arms negotiator, said yesterday he would be "reasonable and tough" with the Soviet Union when the two sides begin talks on limiting medium-range nuclear missiles in Europe next Monday, Reuter reports from Geneva.

Quebec challenge

Quebec will go back to the Canadian Supreme Court, if necessary, to block plans for a new Canadian constitution, Mr Rene Levesque, the province's premier said yesterday. However, the Federal Government has already said it would not be deterred by such a challenge, writes Victor Mackie in Ottawa.

Brazil poll plans

THE Brazilian Congress is likely to be called into extraordinary session early in its summer recess, which begins in a week, to consider the Government's proposed drastic changes in electoral procedures, writes Andrew Whitley in Rio de Janeiro.

Asian bank move

The Asian Development Bank (ADB) is gearing itself to expect less contribution from the U.S. for its soft loan window, the Asian Development Fund (ADF), writes Emilia Tagaza in Manila.

Corruption trial

A former public official and 11 businessmen were sentenced yesterday in Vienna in the biggest corruption trial in post-war Austria. AP reports from Vienna.

Israel-U.S. rift over planned military pact

BY DAVID BUCHAN IN WASHINGTON

A CLEAR difference has opened up between the U.S. and Israel over the future course of bilateral military co-operation, adding further discord to the dispute between the two countries over European participation in the Sinai peacekeeping force next April.

The basic concept for a new U.S.-Israeli pact for "strategic co-operation" was agreed when Prime Minister Menahem Begin met President Reagan in Washington in August. But the disparity evident even then — with the Israelis pushing for closer military ties than Washington wants — has since widened.

The U.S. has decided to reject Israel's latest draft for military co-operation, which Mr Ariel Sharon, the Israeli Defence Minister, is due to discuss in Washington next week, according to a senior U.S. official.

The official described Israeli proposals as too expensive for the U.S. and "their general approach so broad and sweeping that it is open to wrong interpretations by the Arab nations".

U.S. officials have had in mind some joint military manoeuvres with Israel, on the model of the "Bright Star" exercise just concluded with Egypt, and the pre-positioning of some U.S. military and medical supplies in Israel. These stocks would be for use by the U.S. Rapid Deployment Force, should it be sent into the region to defend Gulf oil fields or to meet some similar contingency.

The State Department said yesterday it still expected Mr Sharon in Washington next week. But there have been hints from Israel that the Defence Minister might cancel his trip out of unhappiness that the U.S. is still insisting on more modest military co-operation than Israel would like.

The military co-operation issue is less pressing than the question of European participation in the Sinia force, which was the focus of urgent talks yesterday between Mr Alexander Haig, the U.S. Secretary of State, and Mr Yitzhak Shamir, Israel's Foreign Minister.

Mr Begin has openly warned that Israel may veto the participation of the UK, France, Italy and the Netherlands in the Sinai peace-keeping force, because the four EEC countries have failed to give full public support for the Camp David process and retained their right to take part in some other Middle East arrangement in the future, such as foreshadowed in the recent Saudi Arabian peace plan.

Our Tel Aviv Correspondent reports: Mr Begin will preside over Sunday's crucial Cabinet meeting to decide his Government's view from the hospital bed where he is recovering from a fractured thigh.

An outright Israeli rejection of U.S. demands could lead to the worst rift yet between Washington and the Begin Government. Deputy Prime Minister Simha Ehrlich said in a newspaper interview that Israel must nevertheless stand firm and veto the Europeans, unless they modify their pro-Palestinian statements.

EUROPEAN COUNCIL IN LONDON

Ten 'will tackle inflation and jobs crisis'

BY GILES MERRITT

EEC heads of government yesterday underlined their commitment to tackling the twin economic policy priorities of inflation and unemployment.

After reviewing the European economies, they stressed the need for renewed efforts to control member governments' deficits and break wage cost increases.

They agreed that action on those problems would make an important contribution to solving the jobs crisis, which in the Community is due to top a record 10m total of registered unemployed before the end of this year.

Following a lengthy discussion of the EC's economic difficulties yesterday, at the start of the second day of the European Council in London, the heads of government of the Ten also decided that greater stability of monetary policies should become a major theme for their next meeting, due to take place in Brussels next March.

It was emphasised that improved monetary stability would create the conditions leading to higher levels of employment.

Ashley Ashwood

At the Summit: President Mitterrand, Prime Minister Thatcher and Chancellor Schmidt.

The European Council's examination of economic and social issues within the EEC was notable for its atmosphere of consensus, which offered heads of government a welcome respite from the dissensions over budgetary and agricultural questions that have been the hallmark of the London summit.

The Council endorsed fully a European Commission paper setting out economic policy targets for the Community, and went so far as to describe the Brussels analysis as "excellent."

The Commission is, as a result, being asked to submit a further economic policy paper to EEC finance ministers setting out proposals for the improvement and co-ordination of investment in Community states.

A pointer to the economic priorities that are to be pushed by Belgium in the first six months of next year, when it takes over the presidency of the EEC Council of Ministers from Britain, was also provided by Mr Mark Eyskens, currently the country's caretaker Prime Minister.

He called for a broad policy "climate" for promoting investment co-ordination, similar to the "espace sociale Europeene" that France's President Mitterrand called for at the last European Council in Luxembourg as a framework.

The European Commission is also to be asked to submit a set of proposals for further development of the European Monetary System (EMS).

'Dangerous' Gadaffi fails to face Press

By Patrick Cockburn, recently in Tripoli

Last weekend Col Muammer Gadaffi, the Libyan leader, was scheduled to review a parade of his troops withdrawn recently from Chad. Urgent messages went out to journalists overseas to make their way to Tripoli, the Libyan capital, and then to the Saharan town of Sebha, where Libya's veterans were to go through their paces.

By early on Sunday, the disconsolate band of journalists gathered in Sebha's main hotel were beginning to appreciate that Col Gadaffi, the most dangerous man in the world, according to a recent cover of Newsweek magazine, was not coming. Apart from the occasional gloomy looking sheep, the dusty streets of Sebha were empty. The colonel not to mention his tanks and troops was nowhere to be seen.

Not to worry, said our guides from the Information Secretariat. Instead, we would go to see a Libyan model farm. Assuming this was ten minutes down the road, we piled into a minibus and set off into the Sahara past low hills and scattered oases.

Four and a half hours later the bus and, by this time, its mutinous passengers drew to a halt at the farm protected by trees.

The journalists looked around. It rapidly became apparent that the farm was abandoned. Seedlings were growing wild among the irrigation pipes.

The farms' only inhabitants were three perplexed looking bedouins, who had taken over a gardener's hut and were quietly cooking their meat over an open fire and thousands of [illegible] hopping about the banks between the fields.

If the Libyans were trying to prove, contrary to the belief of the Reagan Administration and much of the world's Press, that Libya is not "a dagger pointed at the heart of Africa" then the point was well made.

It was reinforced when we stopped on the way back to Sebha. The driver examined the engine for 20 minutes. "Ma fee benzine," (no petrol) he concluded.

The lackadaisical atmosphere of Libya is at odds with the demonic image in which Washington and, to a lesser extent, the Europeans appear to believe.

It is not so much what Libya has done since Col Gadaffi overthrew King Idris in 1969 but the publicity he has given to his policies. When it comes to training gunmen or shooting opponents overseas, Libya's record is no worse than Syria or Iraq.

But Col Gadaffi, rather like Mohammed Ali the boxer, has always had the ability to publicise his ventures. When Libyan dissidents were killed in a number of European countries last year he made no effort to deny Libya's responsibility.

Other countries seek better relations with their neighbours: Libya tries to merge with them.

The latest and most ambitious venture—unity with Chad—has just collapsed in the face of a demand for the withdrawal of the 10,000 Libyan troops made last month by Chad's President Goukouni.

To most Libyans, the withdrawal is something of a relief. Unlike Col Gadaffi's attempt to prop up Idi Amin in Uganda in 1979, when a battalion of Libyan soldiers was cut to pieces and the prisoners had to be ransomed, the Chadian operation has been neat and clean. Casualties have not been very heavy.

The reaction to the Libyan move into Chad has still to die away. In February, for instance, it provoked an article in the Daily Express with the headline "Isn't it time Reagan KO'd the mad Colonel?"

The writer went on to say that Gadaffi "has taken over a land eight times bigger than Britain and ... enough (uranium) to build a bomb."

Irish farmers protest in Dublin

BY BRENDAN KEENAN IN BELFAST

ABOUT 20,000 Irish farmers converged on the centre of Dublin yesterday to demand more aid for agriculture. Real income in the sector has dropped by 60 per cent in three years.

Although the turnout was smaller than some predictions, it was still the biggest such demonstration for 15 years. The City's traffic jams disappeared as motorists took police advice and kept their cars at home. The city centre was closed to buses for most of the afternoon, and stores reported a noticeable fall in business.

The farmers' problems stem from the fact that prices have been fixed under the Common Agricultural Policy, in line with European average rates of inflation. The inflation rate in Ireland which is expected to be over 20 per cent this year, has been running at twice the European average.

Farmers have not been mollified by recent Government schemes to assist them. A I£6m (£5m) interest rate subsidy was announced this week, and talks are going on with the banks.

The crisis has worsened the traditional rift between farmers and industrial workers. Farmers' leaders point to the virtual indexation of wages under recent national pay agreements, while some trade unionists claim that farmers got into trouble by borrowing to buy land at exorbitant prices.

The farmers' difficulties were at the forefront of Dr Garret FitzGerald during the EEC summit of the past two days. He has said he would use the Irish veto to protect the basic principles of the CAP and opposed the so-called "super levy" on surplus milk production.

Evren in joint arms plan with Pakistan

KARACHI — General Kenan Evern, the Turkish leader, yesterday announced plans to co-operate with Pakistan in manufacturing arms and military equipment.

A Pakistani technical delegation would visit Turkey soon to discuss establishing defence industry plants, General Evren said at the end of a six-day visit to Pakistan. One joint defence venture in the field of electronics was already about to be finalised.

"Both countries want to be self-sufficient in defence industries."

The visit to Pakistan, his first trip outside Turkey since coming to power 14 months ago had been very successful, he said. Turkey strongly backed Pakistan's demand for the withdrawal of Soviet troops from Afghanistan and he and Muhammad Zia ul-Haq the Pakistani President shared identical views.

General Evren said he did not believe Pakistan faced the threat of a military intervention over Afghanistan.

Referring to Pakistan's other main foreign policy concern, its relations with India, General Evren said he hoped the problems would soon be resolved.

Reuter

France ends migrants' scheme

PARIS—The French Government has decided to end a programme in which it paid FFr 10,000 (£920) to any immigrant worker who agreed to return to his homeland, the Ministry of National Solidarity announced yesterday.

The programme began in May 1977 in an effort to reduce France's foreign labour population, which now totals 4.2m in a nation of 53m.

By June, only 57,953 foreign workers had opted for the grants in the four-year-old programme. Portuguese workers led the group with 40 per cent of the total, followed by Spanish workers with 26 per cent.

A spokesman for M Francois Autain, Secretary of State for Immigrant Affairs, said the government decided to halt the programme because it was not effective.

"Those who wanted to go home would have gone home anyway," he said. "Ten thousand francs didn't make the difference." He added that some immigrant workers had abused the scheme.

"Those who didn't want to go home collected the 10,000 francs, bought a false identity card back home, came back to France and collected again," the spokesman said. "I can't give you figures on how many did it, but we know some people did it five or six times."

He also noted that the Constitutional Council had ruled in 1978 that the decree instigating the aid was illegal for technical reasons.

AP

James Buxton, recently in Venice, examines continuing efforts to rescue Italy's 'sinking city'

Battle to save Venice reaches turning point

VENICE LOOKS magnificently permanent on a sparkling dry day in November. It belies the image of rotting fragility which has dogged it for 15 years since the disastrous flood of 1966, when Italy awoke to the fact that the city was in peril.

Yet only a month ago, Venice suffered two of the very high tides which flood parts of the city and usually occur four or five times a year. St Mark's Square, one of the lowest points of the city, is said to have been flooded 300 times, mainly by lesser tides, in 1979 and 1980. Away from the main canals, one passes rows of damp, insanitary looking houses, the stucco having peeled away to reveal crumbling brickwork. Some have been abandoned altogether.

The "saving of Venice" has now reached something of a turning point. A great deal has been achieved, especially when one considers the complexity of the problems and the Byzantine tiers of authority which must approve every action. But the law passed by the Italian parliament in 1973, which governs the rescuing of the city, has virtually exhausted its usefulness, and a new one is needed. Lobbying has begun.

The law came into effect in 1975 two years after being passed and addressed all the main problems of Venice: The high water, for which it provided funds to close off the three entrances to the lagoon in which Venice is set; the pollution of the sea and air, mainly from the vast industrial complex on the mainland at Mestre; the restoration of the public monuments; and the repair of Venice's housing, essential if the population was to stop falling. A total of L300bn (£130m) was divided between the state, the regional government of the Veneto and the Venice Commune.

St Mark's Square: Two high tides last month, 300 floods last year.

The greatest success has probably been in the field of pollution. The air of Venice has been enormously improved by the introduction of methane gas as the city's main heating fuel. The industries of Mestre have been obliged to purify the water they pour into the lagoon and almost L60bn (£131m) has been spent on a project to treat the sewage and de-contaminate the waste water on the mainland.

So the waters which flood Venice are somewhat cleaner and the monuments are less prone to erosion. Unfortunately, the main anti-pollution project on the mainland is unfinished and has almost run out of money. Another L60bn-L80bn is needed. Meanwhile nothing has been done to tackle the problem of the urban sewage of Venice itself.

At the Veneto regional headquarters on the Grand Canal, Sig Pietro Fabris, responsible for the environment, says the pollution of the lagoon must be reduced before any project for closing its entrances goes ahead. Most people accept the principle behind that project, but there are great differences over how it should be done.

Thanks to a ban on mainland industry lowering the water table by drawing underground water, Venice has virtually stopped sinking. But the designers of the latest protection project think it prudent to allow for a further 20cm drop over the next century.

In late 1978, the Government rejected all five schemes tendered by diffrent consortia for closing the lagoon. Finally, this year, it came up with its own scheme—an amalgam of the best points of the others.

This envisages partially closing each of the three entrances to the lagoon with a double set of breakwaters. Under the gap in the landward breakwater, there would be a contraption consisting of steel tubes. When the sea threatened to rise above a certain level, air would be pumped into the tubes and the structure would swing to the surface, blocking the entrances completely.

Any solution to the threat of flood must neither hinder unduly the normal free flow of water in and out of the lagoon, nor impede shipping to Italy's third busiest port.

The scheme's proponents say the slightly reduced flow of water would increase pollution by only five to 10 per cent and that this would be more than offset by onshore pollution control. Others are not so sure and doubt whether the high waters can be predicted accurately enough to avoid the gates being closed inconveniently often.

In any event, the new scheme has been costed at L710bn, seven times the amount the Government provided for this purpose—when there wasn't even a design—in 1973.

As for the restoration of the city itself, the Italian authorities have spent nearly L60bn restoring public monuments. The 30 private organisations from 14 different countries—such as Britain's Venice in Peril—have done their own work and have more in progress.

But the great black spot is housing. A big programme to restore the damp private houses, after nearly two centuries in which little substantial maintenance was done, was always essential to stop the population of Venice falling. Yet six years after the law providing L40bn and a mechanism for spending it came into effect, relatively few private homes have been restored with state funds. Now the population is put at only 80,000-90,000, compared with 111,000 in 1970 and 184,000 in 1950.

Middle class people leave because they cannot find a home or cannot afford to put it in order if they do, leaving the city to the poor—who have to put up with what they have got—and the rich who may not be permanent residents. However, the city is providing more employment—people commute daily from the mainland—and young people are said to be returning to jobs involving craftsmanship.

The meagre progress on housing is partly because of tension between the Socialist-Communist coalition running the commune and the Christian Democrat-dominated region, which must approve the commune's proposals.

"We have not solved the problems of Venice, but at least we have identified them"—the same words are on the lips of both Sig Carlo Bernini, Christian Democrat president of the regional government and Sig Edoardo Salzano, the communist responsible for the environment at the commune.

They are not so much complacent as realistic about the political and physical facts of the city. They and others agree that Venice must not become the kind of art lovers' Disneyland which they suspect the more elitist conservationists want it to be.

There is also the question of parliament's response. Sig Giovanni Spadolini, the Prime Minister, told Venetians in August that the city would have all the funds it needs. But the Venetians have heard such promises before.

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Waking up to causes of persistent drowsiness

David Fishlock

PERSISTENT DROWSINESS during the day can be an important cause of poor work, under-achievement and social disaster according to an article in the Lancet today.

It gives the example of a 36-year-old tiler who found his work became dangerous when he dozed off.

For years he had believed he slept badly, complaining of wakening early and of extreme restlessness in his legs before falling asleep.

Somnolence may be associated with anxiety, *ill-health* and poor or inadequate night sleep, says Dr J. D. Parkes of the department of neurology at King's College Hospital, London. It can also be, however, the result of more fundamental disorders.

Many doctors will not accept the validity of complaints about feeling drowsy during the day, or of sleeping badly, unless there is some other obvious physical cause, psychiatric disability or evidence of drug-abuse.

Too often they categorise their patient as "lazy, bored or a moaner," says Dr Parkes.

One disorder is hypersomnolence, a need for excessive sleep, victims of which stress how difficult they find ito to waken and what problems this can cause.

A ?-year-old engineer built a ?-watt hi-fi buzzer alarm system to try to wake himself but succeeded only in wakening his neighbours. When he had been a teenager his father had poured water on his sleeping form "frequently without success."

A 30-year-old policeman was unable to cope with early-morning traffic duties because of "sleep-drunkeness." He was unco-ordinated for an hour or two after awakening.

A 17-year-old son of a doctor, with a high IQ, was regarded as lazy both at home and by his teachers because his concentration was poor and he slept through examinations.

Dr Parkes says that fatigue rather than sleepiness—extreme tiredness, weakness, sub-wakefulness or a sleep-cycle shift"—is sometimes found in people needing to retreat from personal problems or with mild personality *disorders.*

The weary, perplexed and dissatisfied patient often gets no relief." After a few years it becomes hard or impossible for the doctor is disentangle the unsatisfactory lifestyle and the multiplicity of treatments being tried by such patients.

He gives the example of a 23-year-old medical student who failed her examinations and subsequently became hyperalert at night and drowsy by day.

Various drugs failed to correct her troubles and the abnormal sleep cycle persisted for 30 years.

To investigate these problems more carefully sleep laboratories in the U.S. in the 1970s equipped themselves with clinical services for investigating patients.

They have proved expensive and time-consuming, however, and while providing much useful information on sleep *disorders have not been of much* help to individual patients, Dr Parkes says.

Construction body urges investment

BY MICHAEL CASSELL

THE GOVERNMENT will not achieve ⁰ *economic recovery* without a revival in construction investment, Mr Malcolm Fordy, senior vice-president of the National Federation of Building Trades Employers, claimed yesterday.

Mr. Fordy, speaking in Burton-on-Trent, said the Government stood no chance of achieving the soundly based national *economic* recovery it desired unless it assisted a controlled revival in the level of expenditure on construction.

His remarks followed the publication this week of a comparative study of five government economic policy options which concluded that increased public spending on construction would give the best value in terms of increased output and *employment.*

Mr Fordy said the report's findings endorsed what the industry had been telling governments for years and would be used in support of future representations to ministers.

"We, as one of the commissioning organisations of the study, are not claiming that any option provides an ideal solution to our economic problems. What we do believe, however, is that the study throws independent, analytical and detailed light upon an economic policy debate which has tended to be dominated by generalised and over-simplified slogans and party political point-scoring."

Andrew Taylor writes: The *study carried out by the* economic forecasters Cambridge Econometrics, applied the same sum, £500m to five options: tax reductions, employment subsidies, current expenditure expansion and capital investment programmes in either housebuilding or roads and sewers.

The report concluded that investment in the two construction options would provide the best overall return in terms of employment growth, increased output, beneficial spin-offs for manufacturing industries, growth in gross domestic product and impact on the public sector borrowing requirement.

In particular the study concluded that investment in roads and sewers would create more jobs.

By *comparison, spending* £500m on employment subsidies would create 137,000 extra jobs but at a PSBR cost of £429m. Increased expenditure on employment subsidies would also seriously damage productivity, investment and the industrial base of the economy and fail to create "real and permanent jobs," Dr Terry Barker, chairman of the study group, said yesterday.

The report was commissioned by five leading construction industry organisations representing builders, civil engineers, building material producers, chartered surveyors and architects.

Cambridge Econometrics Ltd., Policies for Recovery: An Evaluation of Alternatives.

Small travel agencies 'in dire trouble'

By Arthur Sandles in Phoenix, Arizona

HUNDREDS OF small retail travel agencies may be heading for financial disaster in spite of the boom in foreign travel by the British. As the small agencies struggle to survive, the larger groups are snapping them up in a stampede for growth.

Delegates to the annual convention of the Association of British Travel Agents in Phoenix, Arizona, have been told that many are in dire trouble.

Holiday and air travel prices *are falling in real terms and* the agents, who live on fixed commission rates, are seeing their margins squeezed.

"In one week this month we were approached by five agencies asking us to take them over," said Mr Richard Gapper, managing director of Pickfords Travel. Apparently one of the companies stopped *trading while Pickfords con*sidered the approach.

Pickfords itself is one of the groups planning huge growth. A year ago it had 150 retail branches—today it has 183. It plans to open six more outlets in the next few months. It aims to have 245 by the end of next year and 430 by the end of 1984.

Leaders of the Association have already urged an end to the increase in multiple chain outlets. They believe this will diminish the likely share of business for their individual members, and hope to make expansion more difficult by stepping up the qualifying standards for agency staffing and facilities.

The success or failure of this campaign may rest on the outcome of ABTA's appearance before the Restrictive Practices Court next summer, when it has to defend its present trading restrictions.

Rules make ABTA membership almost essential for *anyone who wants to be in* travel in a major way and thus give the Association disciplinary muscle.

Ashley Ashwood

PASSENGERS on the "Jobs Express"—400 young unemployed on a round-Britain demonstration journey—arriving at Paddington Station, London, last night.

Since the train left Newcastle on Monday morning, it has called at Glasgow, Liverpool, Manchester, Sheffield, Birmingham, Swansea, Cardiff and Bristol.

After a reception at TUC headquarters last night, the travellers will be joined tomorrow by an estimated 2,000 other unemployed young people for a demonstration in Hyde Park. On Monday a delegation of six is due to meet Mrs Margaret Thatcher, the Prime Minister.

The *demonstration, in protest at youth unemployment,* has been organised by student, ethnic organisations and the TUC.

Front bench gains for Tribunites

By Elinor Goodman, Political Correspondent

MR MICHAEL FOOT, the Labour leader, yesterday dropped one hard-line left winger, Mr Les Huckfield, from his front bench team. He also brought in four new Tribunite MPs and one right-winger to complete the delicate balancing act of handing out the Shadow portfolios.

The net effect of the changes was to consolidate the growing influence of the Tribunite left on the front bench.

Also included in the list of junior front bench spokesmen was Mr George Cunningham who, after being *re-selected by* Islington South and Finsbury Labour Party this week, was expected to announce his future plans next week.

Mr Foot apparently asked Mr Cunningham whether in the circumstances he wished to be reappointed to the front bench. He replied that he did.

Following Mr Foot's decision to put Mr John Silkin into the job of Shadow defence and disarmament minister, the Labour leader has moved Dr Oonagh MacDonald, one of Mr Silkin's closest supporters, into defence, together with Mr Denzil Davies.

Mr Silkin made it clear last night that in his new job of defence spokesman he will argue for the scrapping of both Trident and Cruise missiles.

Mr Peter Snape, a defence spokesman under Mr Brynmor John in the last session, stays in his old job but Mr John's two other deputies—Mr George Robertson and Mr Arthur Davidson — are moved to new jobs.

Another of Mr Silkin's campaign managers in the deputy leadership contest, Mr Guy Barnett, has been appointed deputy to Mr Eric Heffer on the EEC.

Mr Foot has promoted Mr Ken Woolmer, a leading right-winger, to the front bench as spokesman on trade, while Mr Giles Radice, another member of the Manifesto Group, is moved from foreign affairs, to employment.

A number of Mr Foot's old front bench team, including Mr Roy Mason, and Mr Frank Field, told Mr Foot that they did not want to be reappointed. Others, including Mr Jeffrey Thomas QC, *who has said he does not* want to stand again as a Labour MP, have been dropped.

Minister warns manufacturers to 'automate or liquidate'

BY IVOR OWEN

MANUFACTURING industry would soon face the choice of "automate or liquidate," Mr Kenneth Baker, Minister for Industry and Information Technology, said in the Commons yesterday.

Commercial companies who *failed to come to terms with the* microchip would face a similar dilemma. In the debate the Government was urged from all sides to encourage development of information technology industries.

Mr Baker stressed the opportunities for industry to take advantage of Government grants, ranging from 25 per cent to 50 per cent, to help finance introduction of robots or robotic devices to factories.

He said that since the introduction of the scheme in May about 80 projects had been approved or were in the pipeline. They covered a wide range of manufacturing industry including chemicals, confectionery and ceramics.

While this was encouraging, the development of automation in British industry was still tiny when compared to the 6,000 or 7,000 robots or robotic devices used in Japan.

"Our major international competitors are well ahead and we cannot afford to let up the pace," the Minister said.

On the position of commercial businesses Mr Baker said half of British companies did not use microtechnology.

Most companies possessed only electric typewriters. If that position continued, they would not be in business in five or 10 years.

He underlined ICL's opportunities and said that at the end of the decade it would be one of Europe's strongest computer and communications companies.

Mr John Garrett, chief opposition spokesman in the debate, accused the Government of being dilatory and complacent. He said that without rapid development of the information technology industry Britain *would not survive as an industrial* nation.

For the Social Democrats, Mr Ian Wrigglesworth, MP for Thornaby on Tees, emphasised the importance of stability as an inducement to invest. The telecommunications and information technology industries should not be subjected to the kind of political table-tennis which had bedevilled the steel industry.

A government formed by the SDP-Liberal Alliance, he said, would not upset the present Government's decision to end the monopoly of British telecommunications.

Building societies urged to merge

BY MICHAEL CASSELL

THE ABILITY of many small building societies to survive much longer will rest on their readiness to merge with other local *competitors of a similar* size, according to the Chief Registrar of Friendly Societies.

In his 1980 annual report, Mr Keith Brading, the retiring Chief Registrar, says the building society movement would regret any trend which swept away small societies. These provide local, specialised service to investors and borrowers.

But Mr Brading casts doubt on the ability of small societies to survive a period of intense competitive activity and calls on them to merge if two or more are operating one area.

He says such mergers had previously been successful but warns that for some small societies, "the time may soon be running out for this step to be taken with advantage."

The report *shows* that the reduction in the number of building societies continues. At the start of 1980, there were 287 *on the* Register, but this had fallen to 273 by the end of the year and to 257 by September 1981.

Of this figure, the Registrar says 16 societies were subject to orders preventing them from accepting funds from the public and a further 40 to 50 did not conduct any significant business.

Mr Brading adds: "I have little doubt that the number will continue to decrease steadily, partly as a result of increasing competition which will place additional strains on those societies already concerned about operating margins and their ability to provide the necessary resources for the future expansion of their operations."

Mr Brading also refers to the EEC Council directive relating to credit institutions, from which building societies have been temporarily excluded.

He says the Government intended to apply the directive to the societies through regulations which had been laid before Parliament, and he doubts whether some of the smallest societies will be able to comply.

The Registrar's office had also continued to pursue a much more active policing role in the wake of one or two building society failures.

The programme of supervisory visits had been expanded to include a greater number of societies and, as a result, all societies have been urged to ensure that their control systems are adequate and that they have comprehensive documentation to prove it.

Chief Registrar of Friendly Societies, annual report. SO £4.70.

Shipbuilding inquiry next week

By Andrew Fisher

THE INQUIRY by the House of Commons industry and trade committee into state-owned British Shipbuilders starts on Wednesday with *evidence from* Mr Robert Atkinson, the company's chairman.

The inquiry takes place as British Shipbuilders is gradually cutting its heavy losses, although it still relies on Government support.

Major foreign orders have been announced in the past few months. The corporation *has about £700m of merchant* ship business on its books.

The closure of the small Scottish yard of Robb Caledon led to labour disruption in recent weeks, although some other yards were reluctant to support the overtime ban and one-day stoppages.

Shipbuilding unions are threatening to pull out of national pay talks and consultation and return to individual yard bargaining if industrial relations do not improve soon.

British Shipbuilders is concerned about the likely effect of planned naval spending cuts on its workload. It is discussing with the Ministry of Defence ways of building cheaper warships which can also be sold for export.

The company reckons there is a total export market for about 170 warships in the next five years.

Banks' holiday closing times

BRANCHES of the London clearing banks will close at noon on Thursday December 24 and re-open on Tuesday December 29. They will be closed all day Friday January 1, 1982.

Hopes for local steel pay deals hinge on ISTC vote

BY BRIAN GROOM, LABOUR STAFF

THE BRITISH Steel Corporation's hopes that its biggest union will agree to negotiate next year's pay rises at local level, linked to a new round of job cuts, hinge on a meeting of the Iron and Steel Trades Confederation's executive council on Tuesday.

The Confederation said it had achieved some progress in talks this week in its attempt to minimise the Corporation's planned job cuts of up to 20,000 by July.

The union's smaller ally, the 5,200-member National Union of Blastfurnacemen, agreed earlier in the week to negotiate local deals. But there seems some uncertainty in the Confederation leadership as to whether the concessions it has extracted from the Corporation are enough.

The Confederation has also called together its central negotiating committee for Tuesday. If the executive votes to reject local deals, a national pay claim will be drawn up. This would set the union on a collision course with the Corporation, which says it cannot afford a national pay rise.

The union said that if it drew up a claim, it would hold talks with the corporation on Wednesday.

The Blastfurnacemen have won as part of their agreement a BSC commitment that a 39-hour week will be introduced on agreed terms from January 1, 1983. This indicates that the ISTC will get a similar commitment if it agrees to local deals.

A considerable part of the confederation's anger has been caused by the corporation's declaration that it cannot implement a one-hour cut from next January, which the union *says reneges* on an agreement reached at the end of the national steel strike 20 months ago.

The Blastfurnacemen have also won the consolidation into basic rates of a 4½ per cent minimum bonus, and agreement that the corporation will present through the TUC steel committee proposals for the *harmonisation of pension* schemes for all staff and manual grades.

Vauxhall maintains output in spite of foremen's strike

BY OUR LABOUR STAFF

VAUXHALL last night said it had managed to maintain production at its Ellesmere Port car plant, in Cheshire, in spite of a strike by 380 foremen.

The foremen, members of the Association of Scientific, Technical and Managerial Staffs, hoped to halt Astra assembly and Chevette production. Mr Ken Munslow, the senior ASTMS representative, said it was only a matter of time before the plant was halted.

The ASTMS foremen have begun an indefinite strike in protest at 16 compulsory redundancies.

Yesterday they mounted pickets at all gates, but other workers crossed them. The staff union AUEW-Tass, which has 200 members at Ellesmere Port and the Association of Professional, Executive, Clerical and Computer Staff, which has 100, decided not to join the strike.

Most of the plant's 5,900 workers belong to the engineering or the transport unions. Ellesmere Port began assembling Astras only this month.

● The Ford car factory at Halewood, Merseyside, returned to normal working yesterday after three days of disruption. Production of 2,000 vehicles, worth more than £8m at showroom prices, was lost.

The company said a basis for settlement had been achieved and talks with the unions would continue next week. The dispute followed the suspension of two men for failing to reach work standards.

Union negotiators for Ford's 54,000 manual workers met in London yesterday to draw up proposals which they hope will end disagreement with the company on efficiency measures. The measures are a condition of Ford's 7.4 per cent pay offer.

The unions have rejected the "finality" of Ford's offer. The two sides meet again on Wednesday.

'Datacall' challenge fails

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A challenge to the use by British Telecom of the expression "Datacall" in connection with its public data service, failed in the High Court yesterday.

The challenge had been made in a passing-off action by Datacall Ltd, which, since 1976, has provided computer systems services.

Mr Justice Whitford accepted that Datacall Ltd had a business reputation in its name, which was distinctive of its business.

He said that when British Telecom made its "packet switching service" (PSS) generally available in 1979, it had not been aware of the existence of Datacall Ltd.

It had used the expression "Datacall" because that had been regarded as more "user friendly"—acceptable to users—than more technical expressions that were available.

Datacall Ltd contended that the use of the expression by British Telecom might suggest *a link between the two operations* and cause confusion.

But the judge said there was no evidence of confusion and Datacall Ltd had not satisfied him that it was likely to suffer any damage.

Dawn-raid code to continue

By Christine Moir

TEMPORARY DAWN-RAID measures imposed by the Council for the Securities Industry in September will continue to apply at least until the CSI's next full meeting on January 21.

A special committee, studying the amendments introduced in September, is still debating the issue.

Last December the CSI formalised the basic rules on market raids. These were that any predator buying 15 per cent of a company in a market raid would have to give seven days' notice of any further purchase of 5 per cent or more.

Since then, companies have evaded the notice-period by picking up 15 per cent in a raid, announcing a full bid immediately, and continuing to buy in the market.

The CSI responded in September by closing the loophole temporarily while it examined the implications.

Motor research may get £9m state aid next year

BY JOHN GRIFFITHS

THE Department of Industry *expects to provide more than* £9m next year in direct financial support for UK motor industry research and development.

A substantial proportion will be for short- and medium-term product development rather than general research programmes.

This represents a considerable increase over recent levels the DoI provided £1.84m in 1977-78—but is still low by European standards.

The French and German Governments have launched major programmes to develop fuel-efficient cars, offering to meet half of total costs.

Mr Norman Lamont, Minister of State for Industry, said yesterday that more aid was being allocated to short-term development "because we take the view that in the present circumstances of the vehicle industry, *short-term survival and* medium-term exploitation must be very much the order of the day."

Mr Lamont was addressing the annual meeting of the Motor Industry Research Association.

MIRA is a co-operative with nearly 200 members from all parts of the motor industry as well as some transport users. The income of its research centre at Nuneaton, Warwickshire, derives partly from subscriptions and government contributions but mainly through contracts for research, develop*ment and testing.*

Two years ago it began work on an £8m modernisation programme. However, this is only part way through and depends on further government funding for its completion.

There is no reaction to Scarman because we've seen it all before'

Lisa Wood finds out why people in Brixton believe nothing will change

"THESE kids need a break" said Sonia Christie, a ex-journalist who works in South London shopping off Railton Road made famous in last April's riots. "There is no reaction in Brixton to Scarman because we have seen and heard it all before."

Lord Scarman, she said, had missed the basic flaw in British society—racial prejudice. "Until we have seen a change in attitudes by the majority of the British people, nothing will change even if every recommendation Lord Scarman made was implemented," she added. "And that goes for school with books that still put over colonial attitudes."

Lord Scarman in Brixton, visited yesterday with shoppers and policemen in its street market, dubbed by one guide to Brixton as "enjoying a carnival-like atmosphere," and one was certain to get a reaction. Even from those who had not read anything about the report.

In Lower Railton Road, off *Coldharbour Lane, black youths* popped in and out of one of the few remaining terraces, the rest being either boarded up or in the process of being demolished.

An unmarked orange police car passed by, the passenger in the rear waved as the car sped down the road. "It's just to let us know that they know we are here," said Dan, in his early 20s. "Before the riots they would be in to bust us."

Requests for comment on the particulars of Lord Scarman's report—with its host of recommendations on policing—fell on deaf ears as torrents of allegations of police harassment followed.

Among the Rastafarian community the talk on Scarman was of the need for repatriation and reparation—not to the Caribbean but to Africa.

"*Nothing will change,*" *a beat* policeman said as he walked up and down Coldharbour Lane's rutted and dirty pavements. "We'll have riots again next year come May or June because nothing will be done."

He observed that the nation's press was already there in sizable numbers on the streets, waiting for something to happen. "But," he added, "95 per cent of those in the riots were out and out villains who could not give a monkey's about jobs."

He had been a policeman in Brixton for nine years. "I would not live here. Ask anyone with a young family and they would say the same."

He welcomed specific Scarman proposals. "During my four months' course the policing of ethnic minority areas was not pushed. There was so much *else to do.*

"It's very important, as Lord Scarman has said to have longer training because the more armed with knowledge one is, the more capable one is of doing the job." The inclusion of a clause on racial discrimination in the police's code of conduct was also a good idea.

"Anybody who antagonises blacks for the sake of it should be thrown out of the job."

While being in complete agreement with increased foot patrolling, he said: "It's very difficult for our Government to know what to do. If we flood the area we are said to be provoking people. If we don't the stallholders complain."

Many of the stallholders in Brixton's labyrinth of shopping arcades have been trading in the *area for many years.* Stanley was brought up in Brixton but moved out when he married. "It's a rough poor working class area and if one can better oneself why not. I sympathise with the people who are stuck here."

"But my full sympathy is with the police. Everybody has been knocking them. There is only one solution to the crime here—saturation policing. I had three friends in this arcade who could not cope any more with the hold ups and smash and grabs. In theory the police react but if the kids run up Railton Road, the police can't chase them because they're frightened of a riot.

"The black kids are getting a rough deal—I understand that—but it's no excuse for robbing.

"There has got to be special programmes set up now for all the underprivileged. These people need work experience now. There needs to be special attention to education

"I don't believe there would be a white backlash if extra money was spent. I costs less than riots."

"The Government should come down here and see what it has created. I have always voted Conservative but never again. They have not feel for the people."

A Jamaican tax driver who has lived in Brixton for about 15 years, said: "What people forget is that there are good and bad in any community—we all get tarred with the same brush."

ITN likely to stay off screen this weekend

By Our Labour Editor

INDEPENDENT Television News broadcasts are likely to remain off the air over the weekend after failure of the latest attempt to settle a dispute about technicians' payments for working new equipment.

About 200 technicians, members of the Association of Cinematograph, Television and Allied Technicians, voted by two to one yesterday to reject new proposals from ITN.

Mr Jack O'Connor, a senior ACTT official, said the dispute was becoming a matter of principle

Striking school workers reject Coventry offer

Financial Times Reporter

COVENTRY'S schools and colleges, which have been closed for three weeks, are to remain shut with 60,000 pupils and students staying at home. A second revised peace offer from the Labour controlled city council to the 4,000 council workers was rejected by strike leaders at a three-hour meeting yesterday.

At the centre of the dispute are school cleaners, caretakers and kitchen staff who were forced to take a 10 per cent cut in pay through reduced hours. The authority, in attempting to save an annual £2m, is making the bulk of the cuts in the education sector.

THE WEEK IN THE MARKETS

In a lather for a rate shave

LONDON
ONLOOKER

The London securities market is working itself up for a cut in interest rates. Bond markets have been firm throughout the week. And in the equity market, shares in those companies which would gain most from a fall in the cost of money have been moving smartly ahead. These include property and construction companies, as well as some of the walking wounded in the manufacturing sector.

Short term money rates have not actually fallen in London during the past few days, mainly because there has been a big shortage of money in the market for various technical reasons.

But Eurocurrency rates have continued to move down—by as much as half a point in the past few days—and the gathering strength of sterling has indicated that UK money rates are now looking attractive relative to the returns available from other currencies.

Courtaulds' correction

After last year's profits collapse, Courtaulds appears to have stabilised. The half year figures to September which were released earlier this week hardly set the champagne corks popping, but with a pre-tax profit of £20.5m against £2.3m and £2.8m in the two previous half year periods and the resumption of interim dividends, it looks as if the turning point has at last been reached.

Some of the more optimistic City analysts are now projecting around £60m for the year. A minimum target of £50m could be passed. Though the textiles group is still operating in pretty appalling market conditions at home there is a lot of scope to repair shattered margins given the help of just a little upturn in demand.

Loss elimination in the UK has established a near £10½m turnround in domestic trading profits to £1.1m—a return on sales of just 0.2 per cent. Turnover at home fell by 6½ per cent and exports by 14 per cent against the comparable period. This setback reflects a deliberate shedding of businesses, which has seen the UK workforce halved in the last two years. Now every product division worldwide is said to be making money and though this must still include some loss makers in the UK, the domestic position looks healthier than for some time.

Overseas operations have been buoyant by comparison, returning a half year trading profit of £28.1m against £23m six months before and £17.7m to September 1980. Within that, International Paint put up a sparkling performance, with interim pre-tax profits £4.7m higher at £16.5m Saiccor, the pulp operation in South Africa, was also a notable performer.

So while Courtaulds remains cautious—"as yet, there has been no material recovery in UK demand"—the prospective p/e of about seven on the high tax charge and yield of, say, 6 per cent assuming a 2p final dividend, suggests that the share price is yet to be fully convinced of where profits could go if Courtaulds can get UK volume moving and work through a few price increases.

Boxed in

In the wake of the collapse of pre-tax profits in the second half last year—to £9.2m—Metal Box has staged something of a recovery in the first half of the current year to September. With the help of cost elimination and the end of de-stocking, the company has managed to achieve a figure of £18.7m, which is not too far behind the £19.9m of the same period in 1980, although still trailing far below the £33.9m in 1979.

The two divisions hardest hit by the downturn—open top cans and central heating—are still trading miserably. The loss in the open top division has been reduced from £2.7m in the preceding half to £0.3m. In central heating there has been little change, with a £1.4m loss compared with £1.6m in the previous six months.

However, the overseas contribution continues to push ahead, with good performances in South Africa and the U.S. General line profits are back to something approaching normality, while margins in paper and plastics are looking healthier.

But the key to a return to healthier profits lies with the open top division. And here the worry is that the market is seeing not only a purely cyclical downturn but also industry overcapacity which could prevail for several years.

Debt is likely to rise towards 60 per cent of shareholders' funds this year, while the dividend—raised by 20 per cent at the interim stage—will be nowhere near covered by current cost earnings. Meanwhile the growing imbalance between foreign and UK earnings has produced a substantial ACT problem. The share seems a prime candidate for a rights issue.

Avana digests

Avana's meal of Robertson Foods has proved to be both timely and nourishing. After five years of excellent profit growth on its own, Avana this week credited nearly all its profit and volume improvement in its interim figures to the Robertson acquisition. Avana's earlier plans to sell off bits of Robertson have been shelved; the group admits it has been pleasantly surprised by the contents of its purchase.

Robertson's Manchester preserves plant has pulled out of the red, as predicted in the company's defense document. Avana hopes to improve that performance by putting £1m into an advertising budget for the group and continuing with its capital spending programme.

Avana's own profits were flat primarily as a result of declining demand in meat products. Fruit juice, once a shining star, has been hit by overcapacity and a Florida frost which combined to depress margins. All the same, pre-tax profits for the enlarged group increased from £2m to £3.6m. Improvements now coming through in meat products indicate that £9m or £10m could be a reasonable target for the full year.

Avana's spending on Robertson has not been high because much of the slimming had been done by the former management the group expects to be cash positive at the year-end, which should provide a strong footing for another acquisition.

The hot breath on Avana's neck is from Northern Foods, which increased its stake in Avana to 20.5 per cent in September. Northern dismissed bid speculation when it called for £42.7m in a rights issue earlier this month, but some appetites are hard to control.

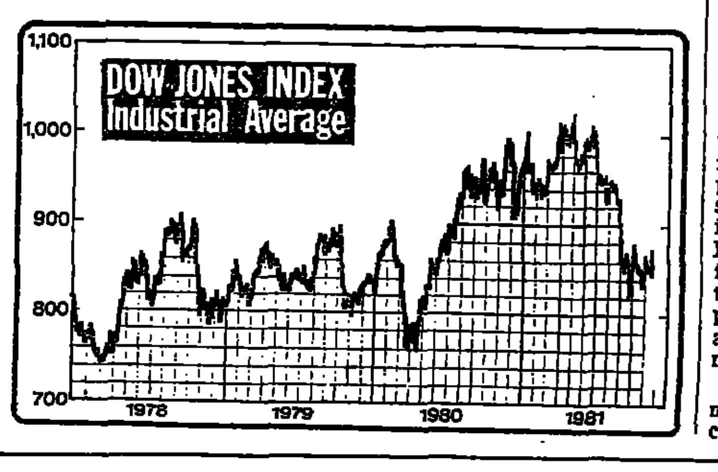
Morose merchants

Merchant bank shares were among the market's top performers in the past two years as profits rose dramatically. This year the story has been different; the sector is slightly underperforming the market as a whole and the latest batch of interim statements presents a somewhat gloomy picture.

Mercury Securities, the parent company of S. G. Warburg, reported this week that first half profits to September were in line with last year—it never publishes figures at the interim stage—but warned that it was having difficulty making revenues grow as quickly as expenses.

Hambros, the other large merchant bank to publish an interim report this week, also said that banking profits had been flat. Non-banking operations were producing lower results partly because of adverse trading conditions and partly due to the cost of carrying oil and gas investments.

It looks as if the merchant banks are catching up with the miseries of many of their corporate clients. Despite a few very large financings this year, such as the BP rights issue and the British Aerospace and Cable and Wireless offers for sale, revenues from corporate fees have been less buoyant than previously.



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	533.4	+13.2	597.3	446.0	Firm undertone maintained
F.T. Gold Mines Index	320.5	+16.3	429.0	262.6	Firm bullion price
Amstrad	240	+33	240	118	Chairman's confident AGM stmt.
Anderson Strathclyde	92	+11	101	67	Int. figs. above expectations
Attwood Garages	95†	+14	95	58	Speculative interest
BPB Inds.	314	+34	314	211	Better-than-expected int. results
Concentric	40	+11	42	25	Annual results
Headlam Sims	54	+ 8	54	32	Capital proposals
Heron Motor	29½	+ 7½	31½	19	Heron Corp. bid for minority
Horizon Travel	292	+35	294	117	Strong sterling
House of Fraser	180	+15	183	117	Bid hopes
Imperial Group	69	+ 6½	76	52½	Institutional buying
Intasun	96	+14	99	69	Strong sterling
Low (Wm.)	168	+14	184	145	Speculative support
NCC Energy	100	+18	142	72	Hopes re Simplicity merger
Pelsart Resources	23	+ 7	43	16	Interest in exploration permit
Pengkalen Tin	186	+54	189	90	Takeover hopes
Redland	165	+13	200	141	Satisfactory half-year results
Sketchley	286	+19	286	224	Investment demand
Vinten	192	+26	192	87	Investment support

† At suspension.

An odd holiday

NEW YORK
DAVID LASCELLES

IT WAS a short but eventful working week on Wall Street, with the Dow Jones industrial average gaining a net 25 points in the first three days of the week before Thursday's Thanksgiving holiday.

Given the deepening gloom among us industrialists about the crumbling economy, this may seem a rather odd moment for the stock market to rally. Indeed, it was rather odd and analysts were driven to explanations seasoned with remarks like "holiday spirit" and so on.

Not having found investors to be notably sentimental in the disposition of their resources in the past, it is necessary to find a somewhat more credible explanation than this.

The most obvious point of encouragement was the consumer price index on Tuesday, which showed a tiny 0.4 per cent increase for the month of October, although this still means U.S. consumer prices increased by 10.2 per cent between October 1980 and October 1981.

Also encouraging to some people was the sight of President Reagan closing down most of the government in a gesture of authority calculated to stir the embers of confidence in his ability to rein in the federal budget deficit.

The other helpful trend was a continued decline in short-term interest rates. Chase Manhattan's prime rate came down to 15¾ per cent, its lowest level for over a year. The broker loan rate, the cost of money to stock investors, is only 13¾ per cent, something which in itself offers encouragement for speculative flutters.

Interest rates probably offer the most substantive reason behind the rally, not just because broker money is cheaper but because alternative money market investments are becoming relatively less attractive.

It would be added, however, that with money market mutual funds still yielding around 17 per cent, there has been no shortage of investment heading in that direction. About DOSL 180bn is sitting in money funds now and, if rates continue to skid downwards, this could provide a potentially huge availability of cash for investment in stocks.

The big negative that the market has to deal with, of course, is the effect of the recession on corporate profits. sales are still struggling al at a 20-year low and housing no better.

Optimists are betting on notion that with most bi industrial stocks selling at w are still, in effect, distress pr earnings ratios (U.S. steel is 2, Bethlehem Steel at 4, Dup at 6, Exxon at 5, Internatio Paper at 6 and IBM at 9), th is very little downside risk the big stocks.

But even some of the optim suggest, that although the m ket may well be into a year-e rally, that rally is unlikely sustain itself through the ye end corporate results season January, by which time the p tical focus will probably ag be back upon the fact that outlook for Mr Reagan's bud deficit is getting worse by day.

Takeover fever also contin to add fizz to the market, w several smaller combinatic proposed last week, includi Smithkline-Beckman and H International-DFS.

Much more interesting, ho ever, was the market's readi of the improved offer by Mo for Marathon Oil. That off designed to outpunch U.S. Ste involves $126 per share for per cent of the company a paper valued in the market $90 per share for the rest. U. Steel had offered $125 per sha for 51 per cent and paper wor marginally less than Mobil's f the rest.

Mobil clearly hopes to det Marathon shareholders fro submitting their shares to tl steel company, but if the mark is any guide they will fai Marathon shares closed o Wednesday at 105¾, down ¾. sign that the market think Mobil's new offer has don nothing to increase the value o Marathon. Unless or unti Mobil can quell fears about th antitrust issue, which it is seeking to do through the courts, Mobil looks like running second in this contest.

MONDAY	851.79	− 1.14
TUESDAY	870.24	+ 18.45
WEDNESDAY	878.14	+ 7.90
THURSDAY: Market closed		

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	9.50	9.75	11.00	11.76 6 yrs. Sixty plus, 10.75 1 yr. high opt., 10.25-11.75 1-5 yrs. open bondshare
Aid to Thrift	10.50	10.75	—	—
Alliance	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 £500 min., 3 mths.' notice
Anglia	9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75 1 mth. not. deposit
Bridgwater	9.50	9.75	11.25	11.75 5 yrs., 10.85 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75 3 mths.' not. and 10.75 on balances of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75 5 yrs., 10.75 3 mths.' notice
Cardiff	9.50	10.50	11.50	—
Catholic	9.50	10.00	11.00	11.25 Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	11.75 5 yrs., 11.15 1 yr., 10.75 3 mths.
Cheltenham and Gloucester	9.50	9.75	11.00	—
Cheltenham and Gloucester	—	10.75	—	— Gold Acc. savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00 5 yrs., 11.05 3 mths.' not. a/c, 11.30 6 mths.' not. a/c
City of London (The)	9.75	10.00	11.25	11.25 Capital City shs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.00	11.25 4 yrs., 11.00 3 yrs., 10.75 3 mths.
Coventry Provident	9.50	9.75	11.00	10.75 E.I. a/c £500 min. 11.00 £5,000+
Derbyshire	9.50	9.75	11.00	10.25-10.85 3 months' notice
Ealing and Acton	9.50	10.25	—	10.90 2 years, £2,000 minimum
Gateway	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	10.00	11.25	12.00 5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75 6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	— 3 mths.' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.25 4 yrs., 11.00 3 yrs., 10.75 2 yrs.
Hendon	10.00	10.50	—	11.50 6 mths., 11.25 3 mths.
Huddersfield and Bradford	9.50	9.75	11.00	11.25 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs.
Lambeth	9.50	10.00	11.75	12.00 5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35 1 year
Leeds Permanent	9.50	9.75	11.00	10.50 E.I. a/c £500 min., 10.75 £5,000+
Leicester	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75 3 months' notice
Mornington	10.20	10.70	—	—
National Counties	9.75	10.05	11.05	10.75 35 days' not. min. dep. £500, 6 mths.' 11.15 min. dep. £500, 12.25 at 9 mths.' not. min. dep. £2.000
Nationwide	9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' not. Bonus a/c 10.50 £2.500 min., 10.75 £10,000 + 28 days' not.
Newcastle	9.50	9.75	11.00	11.75 4 yrs., 10.75 2 mths.' not. or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	8.00	9.00	10.50	10.00 Loss 1 month int. on sums wdn.
Peckham Mutual	‡9.75	10.75	—	11.25 2 y, 11.75 3 y, 12.25 4 y, 11.0 Bns.
Portman	9.50	9.75	11.25	11.75 5 yrs., 11.00 6 mths.' not. 10.75 3 mths.' not.
Portsmouth	9.85	10.05	11.55	12.10 (5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipton	9.50	9.75	11.00	10.85-11.00 28 days' int. penalty
Sussex County	9.75	10.00	12.25	11.00 instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75 all with special options
Town and Country	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wdl. 28 days' int. loss
Walthamstow	‡9.50	10.00	11.00	11.00 6 mths.' not. min. £500, 10.75 3 mths.' not.
Wessex	9.75	10.75	—	—
Woolwich	9.50	9.75	11.00	11.75 3 yrs., £500 min. 90 days' not. on amt. wdn. 10.75 £500 3 mth. not.

* Rates normally variable in line with changes in ordinary share rates.
‡ Rates applicable as from December 1 1981.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

A touch of that old black magic

MINING
GEORGE MILLING-STANLEY

THE ALCHEMISTS of olden times put a considerable amount of effort into their attempts to turn base metals, usually lead, into gold.

This week's results from **Anglo American Corporation of South Africa** could be interpreted as indicating that the wizards of yesteryear started with the wrong mineral, as the group seems to have turned what is arguably an even baser mineral than lead, namely coal, into gold.

And without all that much effort, for with little more than the stroke of a pen, Anglo has transmuted **Anglo American Coal Corporation**, formerly an associated company, into a subsidiary. As a result, pre-tax profits of the group as a whole for the six months to September 30 are 14.5 per cent higher at R334m (£181m).

The Anglo group is, of course, South Africa's leading mining concern, and has always been heavily dependent on its gold interests. A rise of this order in pre-tax profits at a time of depressed gold prices is alchemy indeed.

In terms of London closing prices, bullion averaged around $450 per troy ounce in the latest six months, more than $150 an ounce below the figure for the same period of 1980.

While the bullion price is not always immediately reflected in dividend payments from the individual mines, and the fall has been to some extent cushioned by changes in the rand/dollar exchange rate, there can be no doubt that Anglo's income from its gold operations was markedly lower in the latest period.

Thus a major part of the advance must be attributable to Amcoal, where earnings per share in the six months improved by no less than 29 per cent to 320.4 cents (174p).

Nevertheless, the decision to include Amcoal as a subsidiary turned out to be something of a mixed blessing for the group as a whole—Anglo's "black magic" did not extend below the line.

First, Amcoal rates for tax purposes as a trading company, rather than an investment company, and thus incurs a higher tax charge. This contributed towards a rise of 260 per cent in the tax charge for the group as a whole, to R45.4m.

The second large bite was taken by outside shareholders, who own a hefty 49 per cent of the Amcoal equity. The profits attributable to these holders had the effect of increasing sharply Anglo's total deduction in respect of minorities, to R50.9m from R16.2m.

This meant that at the all-important level of profits attributable to Anglo shareholders, from which dividends are paid, the group showed a decline of 7.4 per cent to R387.4m in comparison with the first half of the 1980/81 financial year.

Earnings came out at 104.3 cents a share, down from 115.5 cents last time. The interim dividend is maintained at 35 cents. This was followed last year by a final of 75 cents, to give a total of 110 cents from full-year attributable profits of R866m, or 233.4 cents a share.

So far as the remainder of the year is concerned, Anglo had nothing to say this week beyond the traditional warning to the effect that no conclusions should be drawn from the first half's performance as to the likely outcome for the full year.

This is because investment income and the share of retained profits from associates do not accrue evenly throughout the year, prospecting costs can vary materially from period to period, and finally the amounts realised on the sales of investments fluctuate in accordance with management decisions and market conditions.

Since the end of the period under review, the gold price has closed above the $450 level averaged over the last six months on only one occasion, and the average has been considerably lower than that.

In the absence of a sudden and sharp upturn, which does not at the moment look likely, it is clear that Anglo's income from gold operations will not improve much in the rest of the year, and could even show a further decline.

It must therefore be a source of some considerable relief to Mr Harry Oppenheimer, Anglo's chairman, that Amcoal is on record as saying that the 29 per cent rate of increase in earnings per share recorded in the six months to September 30 should be at least maintained in the next six months to March 30.

The picture for Anglo's second half is likely to be one of falling gold income, offset to some extent by a rise in the contribution from coal. But what of diamonds, the other traditional mainstay of the group?

In his last annual statement, Mr Oppenheimer said that dealers would have to replenish their stocks before too long, and this would bring about a regeneration of activity in the cutting centres.

This has been the message from Anglo's sister company in the diamond business **De Beers Consolidated Mines**, for some months now, but hard evidence that this is what is actually happening will not appear until the announcement of half-yearly sales figures from the Central Selling Organisation in January, and perhaps not even then, given the length of the pipeline.

The CSO controls the marketing of around four-fifths of the world's supply of rough (uncut) diamonds, and last year's second-half sales figures showed a sharp decline. This was followed by a further fall in the six months to June 30, and the organisation must be hoping for a good Christmas, especially in the all-important U.S. market.

One thing, at least, looks safe—Anglo's final dividend. De Beers holds some 40 per cent of the Anglo equity, and needs a reasonable level of payment from the group to help it finance its huge stocks of unsold diamonds.

Coal, then, looks to be the major bull point for Anglo at present. This is also the case for **Transvaal Consolidated Land**, which produced its annual report this week.

TCL is the mining and investment arm of South Africa's **Barlow Rand** group, and Mr A. C. Petersen, chairman, said the company expects increased growth in both earnings and dividends in the current 12 months to September 30, 1982.

This will be largely because of growing income from TCL's coal interests. The group now has reserves of almost 13bn tonnes, and this figure is expected to rise as exploration proceeds.

More than 600m tonnes were added to reserves last year, and TCL has submitted tenders for the supply of coal to proposed power stations to be built by the electricity authority Escom.

The group has also applied for additional export allocations, and Mr Petersen is hopeful that, on the basis of TCL's record, both sets of applications will be favourably received.

So far as TCL's financial record is concerned, the acco panying chart speaks for itse What the chart does not show the shoft which took place la year in the composition TCL's earnings.

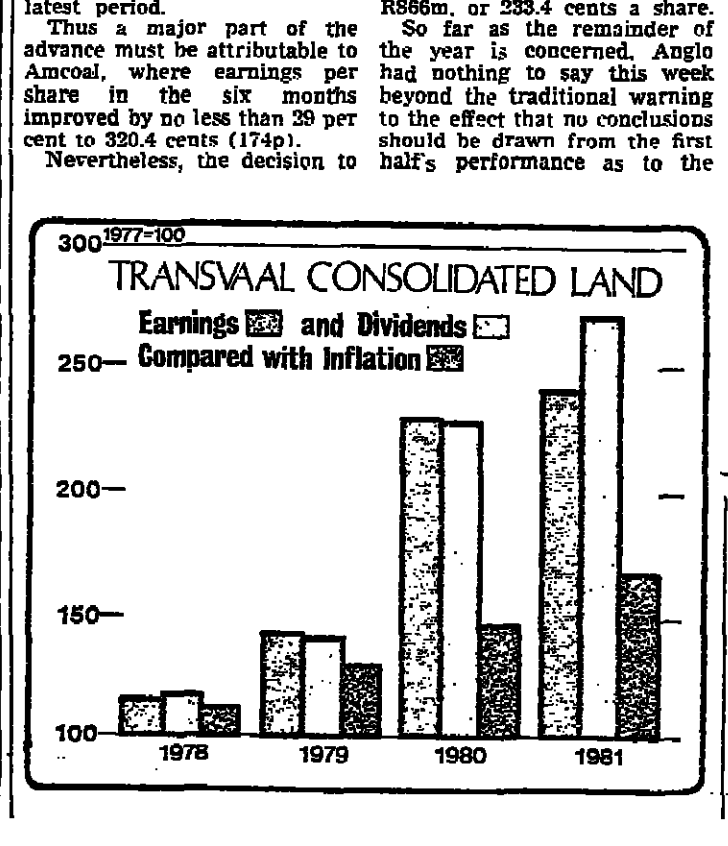
Because of the fall in tl price of gold and the rise income from coal, the latt commodity accounted for 62 p cent of TCL's profits, compar with 56 per cent the previou year. Gold's contribution fe to just 32 per cent of the tot from 41 per cent.

The improvement in the co tribution from coal came main from higher export sales both Rietspruit and Witbar and increased sales to the Duv power station.

In the longer term, the ear ings mix could well begin revert towards the earlier p ture, as Mr Petersen provid more encouraging news of TCI gold prospect at Barberto close to the border wi Swaziland.

The project has now mov on to diamond drilling a underground tunnelling, follo ing a great deal of surfa geological work. Results recent months indicate that mine treating some 60.0 tonnes of ore per month may a possibility, Mr Petersen said.

A large amount of addition development and drilling wo will be carried out over tl next two years, after which decision on whether to go ahe with a mine should be possibl TCL has a 50 per cent share this joint venture. with tl remainder held by **Barbroo Mining and Exploration.**



UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS—1

Eric Short on a National Insurance bombshell

More from the pay packet

[WHI]LE EVERYONE is specu[latin]g on the contents of next [wee]k's package of Government [spen]ding cuts, one thing is [cert]ain. Among other things [the] package will contain a tax [rise] in the form of a substan[tial] increase in National [Insu]rance contributions.

[Th]e public should not be [mislead] by the word "insurance." [Th]e contributions are much [more] akin to tax charges than [to] what is generally under[stoo]d as insurance payments.

[Th]e National Insurance Fund [is t]hat social security benefits, [such] as old age pensions, sick[ness] benefits and unemployment [bene]fits are paid out of. And [righ]t now it is in deep financial [trou]ble with an expected de[ficit] in the current tax year of [at le]ast £600m. A more up-to-[date] estimate of the situation [from] the Government Actuary [shou]ld be given with the pack[age].

[Th]e National Insurance Fund [oper]ates on a pay-as-you-go system, with the current year's contributions paying the current year's benefits. The rising level of unemployment has hit the fund in two ways — higher benefit payments and lower contributions, since the unemployed do not pay.

Since no improvement is expected in the next financial year, contributions will have to rise. The Government Actuary's report will show the Treasury's forecast of unemployment numbers in 1982/83.

A rise of one per cent in contribution rates would be needed to balance the fund, and it is the Government's task to decide how to split this increase between employees and employers.

Given the increasingly financial pressures on employers, it would not be surprising if the burden fell wholly on the shoulders of the employed. The justification would presumably be that those in employment should pay for the benefits of *those out of work.*

Employees and employers will have to pay more NI contributions as a matter of course next year simply because of inflation. This affects the overall contributions in two ways.

First the employee at present pays contributions of 7¾ per cent of his weekly earnings if he is in the State scheme, and 5¼ per cent if he is contracted out with higher payments on the first £27 of weekly earnings. As his earnings rise with inflation, so do his contribution payments.

Secondly, contributions are levied on earnings up to a ceiling, at present £200 a week. This limit is lifted each year in line with earnings inflation, and could go to £220 from April. Thus employees earning more than £200 a week can again expect to pay more.

The table shows what the contribution pattern would be, assuming an extra one per cent on employees' contributions with the ceiling lifted to £220 a week. The current contributions are provided by the Department of Health and Social Security and because of the method of calculation do not accord exactly with the percentages.

YOUR WEEKLY NATIONAL INSURANCE BILL

	Not-contracted out			Contracted out		
Weekly earnings	Present	Estimated	Extra	Present	Estimated	Extra
£	£	£	£	£	£	£
100	7.77	8.77	1.00	5.94	7.00	1.06
130	10.09	11.39	1.30	7.51	8.87	1.36
165	12.81	14.46	1.65	9.35	11.06	1.71
200	15.50	17.50	2.00	11.17	13.23	2.06
220 or more	15.50	19.25	3.75	11.17	14.48	3.31

The affairs of Harry and Alfred

TAXATION

DAVID WAINMAN

[Y]OU operate through a com[pan]y, and that company makes [gain]s, you double the tax [char]ge: better to hold your [asse]ts yourself than to hold [the]m through a company. That [is a]n assertion often made, not [nece]ssarily correctly.

[Le]t us look at an example. [Our] hero, call him Harry, is run[ning] the company he has built [up,] an activity which he now [find]s less demanding than it [was] when the company was new [and] struggling for growth. He [know]s that an old business

[acqu]aintance, Alfred, is putting [his] company up for sale, being [anx]ious to give up the unequal [stru]ggle and retire gracefully. [A]lfred's company, Alph Ltd, [ope]rates from old and somewhat [run-]down premises but it owns [the] freehold of these, a free[hol]d which Harry has always [tho]ught could have a significant [val]ue if the right purchaser [sh]ould come along at some [fu]ture date.

Harry agrees to buy Alph Ltd, [ana]lysing what he gets inside [tha]t company when he pays for [its] shares (see Table A).

But what should Harry be [doi]ng to minimise the taxes that [wil]l result from his ownership [of] Alph Ltd? He plans to get it [ope]rating more profitably than [it] has been doing in recent [year]s under Alfred's failing [dire]ction. If the company is [offe]red something astronomic [for] its premises, then they will [hav]e to go, which means that [Har]ry will be faced with [reor]ganising its trading opera[tion]s into rented accommoda[tion].

[Bu]t there is one thing about [whic]h Harry is totally clear. [His] investment in Alph Ltd is a [shor]t-term one: to build up its profitability and sell out. If its property turns into cash at the same time, that would be a super-profit, but the possibility of that happening is not a sufficient reason for Harry keeping his funds and energies locked up in this company for more than a few years.

So, should Harry buy Alph Ltd himself, or should he arrange that his own company, Haricot Ltd, should be the purchaser?

One point which we can immediately dismiss as irrelevant is the question of the small *companies' corporation tax rate.* Whether he owns both companies, or one of them owns the other, their profits will have to be aggregated to determine whether the 40 per cent rate is still available.

More to the point is the capital gains position when Harry wants to sell out. Let us assume that at that proint the property has not been sold, but Harry locates a purchaser prepared to pay £700,000 for the company.

It is helpful once again to analyse that price, comparing it with the figures in Alph's balance sheet: the latter now *reflects the profits earned and* reinvested under Harry's governance, whilst the pre-acquisition earnings have been put to capital reserve (See Table B.)

Before the sale, Harry arranges a temporary bank overdraft for Alph Ltd of £185,000, and then causes it to pay a dividend of this sum to his own company, Haricot Ltd. The purchaser thereafter pays £515,000 to Haricot Ltd for the equity of Alph Ltd, but also takes over its obligation to the bank of £185,000.

This dividend has the effect of reducing Haricot's proceeds from the sale of Alph Ltd by *£185,000, and therefore saving* capital gains tax of £55,500. But at the same time the identical £185,000 reaches Haricot Limited and increases its aggregate worth, in a different and non-taxable form.

TABLE A

	What Harry is prepared to pay		Amount shown in Balance Sheet of Alph Ltd.
Freehold property	£200,000		£ 75,000
Plant (four years old)	80,000		65,000
Net current assets	70,000		50,000
			£190,000
Share capital		£100,000	
Retained earnings		90,000	
Shareholders funds			£190,000
Agreed price to be paid	£350,000		

TABLE B

	Purchaser's analysis		Balance Sheet
Freehold property	£325,000		£ 75,000
Plant	175,000		175,000
Net current assets	150,000		125,000
Goodwill — namely the company's ability to earn an above average rate of return	50,000		
			£375,000
Share capital		£100,000	
Capital reserve		90,000	
Retained earnings		185,000	
Shareholders funds			£375,000
Agreed price to be paid	£700,000		

Harry can actually do better even than that: if he arranges for Alph's property to be revalued, the company could pay a further dividend out of the revaluation surplus.

If the total amount paid were £350,000, then Haricot Limited would have eliminated the whole of its capital gains tax (but the law does say that Haricot Limited may not go further, and set out to establish *a tax loss).*

Such a dividend out of a revaluation surplus is still possible until and unless Alph Limited is re-registered under the provisions of the Companies Act 1980. Thereafter Section 39 of that act makes life slightly more complicated by requiring that dividends can only be paid out of "realised" profits.

But complexity is the spice of Harry's life, and he and I share the view that it will still be possible with a little ingenuity to achieve the same end result.

Apart from the profit pocketed out of the transaction, two other things give Harry particular satisfaction. First every*one seems totally agreed that* the infamous anti-avoidance provisions for combating "dividend stripping" do not touch him. And secondly he has disproved the theory with which we started this article.

Information on a pension

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post

Since 1974 I have been in receipt of a pension from the firm from which I retired. No pensioner has received any increase in the fixed payment *either from the firm or the* insurance company on the grounds that there is no money in the kitty for this purpose. I have asked for information on the state of the fund from the insurance company and the trustees of the fund, but have been informed that I have no right to any such data. Is this so?

You are entitled to information from the trustees as to whether there has been a periodic actuarial revaluation of the fund and whether the actuaries have recommended any uplift of pensions which would affect your position. If necessary you can pursue your claim for information by proceedings against the trustees in the Chancery Division of the High Court.

Sisters joint tax bill

I am seeking advice for sisters who share their home. "B" the eldest received the basic State pension and looks after "A" who is dependent on her and receives mobility and invalidity allowances. The problem is that their income will be reduced by "A" having to pay approximately £170 income tax in 1982/83 because she will be 65 in March 1982 which will result in the invalidity payment being replaced by the same amount of taxable state *pension.*

Would you advise "A" to make a seven year covenant in favour of "B" to utilise the balance of her ("B's") age allowance?

The sisters' joint tax bill can, as you suggest, be kept to a minimum by means of a deed of covenant by the richer (in terms of taxable income) in favour of the poorer. However, the amount of the covenanted annuity will depend upon a forecast of their respective taxable incomes for 1982-83. We therefore suggest that they wait until after the 1982 Budget, when the 1982-83 age allowance and the November 1982 NIRP increase are announced; they will also, by that time, be in a better position to estimate their respective taxable investment incomes for 1982-83 (bearing in *mind* that the *1982-83* assessments in respect of any untaxed interest etc may be based, wholly or partly, on 1981-82 figures).

CGT or CTT

One of my two brothers and I are trustees of our late father's estate, which is left to the three of us, with a life interest to our mother. When she dies what, please, would be the tax position regarding stocks and shares standing in the names of my co-trustee and myself, if we agree to divide these equally between us? *Would there be liability for* capital gains tax and/or capital transfer tax?

If you terminate the trust and make an equal division of the trust-fund there will be charges both to Caiptal Gains Tax and to Gapital Transfer Tax. The *incidence of the latter, however,* can be reduced if the division is made an an actuarial basis. You should take professional advice as to the best method of *effecting such a division.*

Going to live in Eire

I am in receipt of a Civil Service pension of about £5,000 p.a. together with a further £2,500 or so derived from building society interest. I am considering the possibility of selling my present house and buying a new residence in the Irish Republic. As I understand the position, my pension will continue to be liable to UK tax but if I switched my building society holding into a bank deposit account would I thereby escape tax on that part of my income?

If you become resident in the Irish Republic, you will indeed be exempt from UK tax on your interest, by virtue of article 12 of the Ireland-UK double taxation convention. The interest will, of course, be taxable in the Republic. Since both UK building societies and UK banks pay interest without deduction of tax, you will not have the trouble of submitting exemption claims to the UK authorities. Undoubtedly a UK bank deposit would give you a better net yield (after Irish tax) than a UK building society account.

Your UK civil service pension will, as you say, be fully taxable in the UK. It will be exempt from Irish tax by virtue of article 18(2) of the double taxation convention. Restricted personal reliefs should be available, under section 27(2) of the Income and Corporation Taxes Act 1970, as amended.

Provisions to meet CTT

What do you consider would be the best means of providing a fund to meet CTT (which I understand has to be paid before probate is granted) which would enable the executors to avoid an overdraft

We suggest a joint account in the names of the testator and the executor, or the main beneficiary.

Interest on house loans

I am in process of remortgaging my house in order to provide funds partially for improving it and also to help with school fees. My existing mortgage is for £11,400 and the new loan from the bank has been *approved at £50,000.* I understand that mortgages up to £25,000 normally entitle one to full tax relief but it is not necessarily so with remortgages. Could you please explain to me how I am likely to stand?

You will find the detailed answers to your question in a free Inland Revenue booklet, which we have recommended in our columns from time to time over recent months: IR11 (Tax treatment of interest paid). It is obtainable from most tax inspectors' offices.

You should look, in particular, at paragraphs 11 (second loan, exceeding the £25,000 limit), 17 (borrowing for past, as well as current, expenditure) and 21-22 (alterations and improvements). Appendix A gives the following examples of expenditure which will be accepted as qualifying for loan interest relief:

"(a) Home extensions and loft conversions. (b) Central heating installations (including solar heating but excluding portable radiators and night storage heaters). (c) The installation of double glazing, even *though it may be in a detachable form.* (d) The insulation of a roof or walls. (e) Installation of bathrooms and other plumbing. (f) Kitchen units, eg sink *units,* which are affixed to and become part of the building; in practice, a range of matching units only some of which qualify may be treated as qualifying as a whole (other than cookers, refrigerators and similar appliances). (g) Connection to main drainage. (h) Garages, garden sheds, greenhouses. (j) The construction or landscaping of gardens. (k) Swimming pools. (l) Reconstruction of property, eg conversion into flats."

The booklet goes on to say that expenditure on a number of smaller items may be met by a combined loan qualifying for relief, eg improvements under the Clean Air Act, fire precaution works, installation of water heating and ring mains electricity, and the concreting or other improvement of driveways or paths.

In Appendix B, there are examples of expenditure which may in some circumstances *qualify, at least partly,* for relief:

"(a) Re-covering or reconstructing a roof. (b) Underpinning a house. (c) Rebuilding a facade. (d) Insertion or renewal of damp-proof course. (e) Renewal of electrical installation.

"Because relief may not be available in every case in these categories, depending on the precise nature and extent of the works, an individual who is *contemplating such expenditure* (and who would regard tax relief as an essential requirement) should contact his Inspector of Taxes for advice before entering into any commitment."

YOUR SAVINGS AND INVESTMENTS-2

Rosemary Burr reports on where to get cash

Curing that Saturday morning feeling

GETTING CASH outside banking hours is a perennial problem. Somehow what seemed an adequate sum on Friday night has dwindled to a paltry few pounds by Saturday afternoon. What options are open short of begging and borrowing?

The banks themselves are keen to plug the wonders of electronic cash machines. These they say with some justification are easy to use. Customers are provided with plastics cards to insert into the machines and given a personal key number to tap out when getting cash.

There are two main limitations. First there are relatively few machines in operation. At present the number nationwide is 2,256 but this should have doubled by the end of 1982. Second, each bank markets cards which can only be used in its own cash dispensers.

This means the choice of machines is fairly limited and it may entail a separate trip to locate a cash dispensing machine.

So where else can people go to get cash outside banking hours? About 700 branches stay open late one night, normally Thursday. Most of these branches open for an extra hour in the middle of the afternoon from 4.30 to 5.30. The branches offering this service tend to be in the suburbs.

Another good bet is branches of the clearing banks inside stores as their opening hours are usually the same as the shops. For example, there are eleven branches of Lloyds Bank inside Selfridges and Lewis's stores. These include Selfridges in London and Oxford and Lewis's stores in Birmingham, Blackpool, Bristol, Glasgow, Hanley, Leeds, Leicester, Liverpool and Manchester.

Outside banking hours, shoppers who do not bank with Lloyds will be charged 50p cheque cashing charge. Inside banking hours this charge is only levied against Barclays and Midland customers.

Shoppers at Brent Cross, the North London shopping centre, can visit a branch of Barclays and non-Barclays customers are charged 50p for cashing a cheque.

Barclays has also developed a hybrid cash counter at the Mainstop hypermarket in Wymondham, Norfolk. Here a teller sits behind a counter an elbow away from a cash machine.

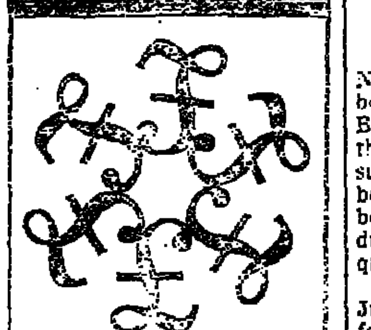
Customers of the Girobank, an arm of the Post Office, who have cheque guarantee cards can cash a £50 cheque at any post office during the week and on Saturdays.

Londoners can also get cash at night and during weekends from bureaux de change. It pays to shop around as rates for cashing cheques backed with cheque guarantee cards vary from 3 per cent to 5 per cent.

Anyone in the vicinity of Golders Green, London, can take advantage of Bank Leumi's longer hours and free cashing service. The bank stays open from 9.30 to 4.15 during the week and from 10 to 12.30 on Sunday morning. Customers of other banks who have cheque guarantee cards can cash cheques up to £50 free.

The best bargain in Central London is to be found in the stately halls of Harrods in Knightsbridge. Here shoppers are charged 30p to cash cheques backed by a guarantee card. This is a saving of £2.20 over some of the local bureaux de change. If all else fails you can always try your local newsagent or butcher.

Banking Brief



The right time

NEXT WEDNESDAY, December 2, is an important day for BP shareholders. That is when the second instalment of this summer's jumbo rights issue becomes payable—just one day before the group is due to produce its results for the third quarter of 1981.

The £600m issue, launched in June, was such a big mouthful for the stock market that BP decided to take the money in two slices—one representing 125p per share, and the second amounting to 150p. Many shareholders decided to put up all the money at one go, and in return they received a sweetener in the shape of an interim dividend in respect of their new shares.

But there is still £135m to come in by the middle of next week, representing the second payment on some 90m new shares.

BP has taken a number of press advertisements to remind its shareholders of the call on its funds, but it will not be contacting them individually. In theory, shareholders who fail to pay up could lose their whole entitlement to the rights shares. In practice, BP would probably decide to do some gentle prodding before taking such a harsh step.

Various permutations are possible for those who do not want to take up their full entitlement. They could sell the lot, or just enough to pay for the call on their remaining rights shares. A trip to the friendly neighbourhood stockbroker should quickly produce the right answer in this case.

However, there is a fair argument to be made for putting new money into BP just now. The third quarter results are likely to mark a significant turning point in the company's fortunes: they are discussed in more detail in the "Results Due" column on today's UK company news page.

Analysts are expecting to see a substantial improvement in the group's downstream activities, which is likely to continue through the rest of the year.

Mr Doug McGregor, of stockbrokers Hoare Govett, is one of those who says that the 150p per share due by Wednesday looks like a good place to put your money.

Richard Lambert

Brokers' D-Day

ON TUESDAY, a long awaited change in regulating insurance selling comes into operation, when the full provisions of the Insurance Brokers (Registration) Act 1977, come into force.

From December 1, no one may trade under the name insurance broker, or a similar title using the word broker, unless he has registered himself and his business with the Insurance Brokers Registration Council.

In dealing with a registered broker, the public can now expect that the individual will be competent, have the necessary professional integrity, and operate his business on sound financial lines. In theory, everyone should use a registered broker—so every broker should register.

In practice, many smaller brokers are not keen on registration and feel that it will not affect their operations. Brokers are going part of the way by register themselves on the Individual Register [so far nearly 13,000 have registered] since this confers a professional status and only costs £25 with a renewal fee of £15 a year. Another 2,000 are having their applications processed.

But few are registering their businesses which is a much more expensive operation. So far only 380 separate businesses (sole traders and partnerships) and 1,500 companies have registered.

The risk of dealing with someone who is not a registered broker lies in the lack of underlying security. In particular, there is no statutory avenue of complaint if there is a dispute with an unregistered adviser. By contrast, there is a laid down channel by which complaints can be made against a registered broker.

Clients should be certain that the broker's business is registered and not just the broker himself. A number of brokers running more than one company have registered some and not others.

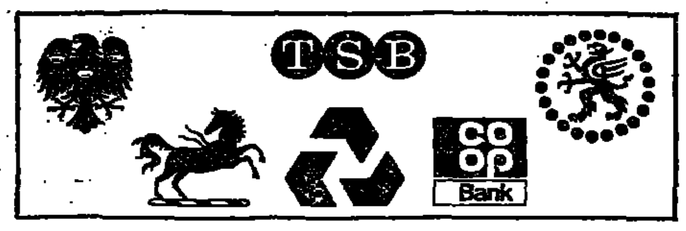
Businesses should not appear under the insurance broking section of Yellow Pages or any other trade directory if they are not registered. The Yellow Pages Organisation is relying on brokers to inform them of the change and will not be able to implement it before 1983. Thomson Local Directories is asking each listing if its title still applies and offering an alternative heading.

Eric Short

YOUR SAVINGS AND INVESTMENTS—3

William Hall looks at the prospects for bank charges

Higher bills are on the way



T LEAST one of Britain's ajor High Street banks pears to be on the point of creasing charges to the rsonal bank customer.

Already some of the tiddlers ve moved. The Trustee vings Banks in England and ales quietly announced that e cost of debit entries for ms such as cheques was going by 50 per cent to 15p per em. However, it stresses that is will not affect the bulk of customers, since most enjoy ee banking as long at they aintain £50 in their accounts.

The Manchester-based Co-op Bank, which describes itself as "your caring, sharing bank" has also announced an increase in bank charges this week. Most people who read the newspapers probably missed this nugget of information because it was tucked away near the end of a two-page memorandum extolling the fact that fewer customers of the Co-op Bank pay bank charges than any other bank.

Terry Thomas, the bank's joint general manager, announced an increase of two thirds in the cost of debit items for customers paying bank charges. Like the TSBs, Thomas stresses that hardly anyone pays bank charges at the Co-op Bank, and that this is the first increase for three years.

The rest of the big clearing banks, who put up their personal bank charges by between 14 per cent and 35 per cent earlier this year, are rather coy about any suggestion that they may be considering another upward move. But further increases cannot be ruled out over the next few months.

The most likely candidate is National Westminster Bank, which has the largest branch *network in the UK. Officially*, the bank is saying nothing but Jeff Benson, the chief executive, said last December, that the bank would hold its personal charges for 12 months. With only a month to go, National Westminster appears poised to *raise its charges.*

A new gloss on bonds

NTIL RELATIVELY recently ilding societies relied solely their extensive branch net-orks to gather in funds to ance their home loans.

The Anglia Building Society as the first to break new ound with a major medium-*m syndicated loan two years* o. Then the Alliance Building ciety took the Stock Exchange ute last September, and has ice raised £82.5m (including ll-overs) from institutions, ile this August Nationwide ok the plunge with the first lly-quoted building society nd available to all investors rough the London stock arket.

The bonds are a bit like the arling bonds which are sued in the City every week by *local* authorities. They come in tranches of £1,000, they are issued at par with a coupon which represents a slight premium on local authority rates (last month's for example was 15⅜ against the 14⅞ for the comparable yearling) and they *run for exactly one year and* seven days. Interest is paid twice a year net of basic rate tax.

An important feature of the Nationwide bonds is that they are negotiable — unlike an ordinary building society term *share* the investor can get money out at any time.

This secondary market has not been as active as Nationwide would like which partly explains why the society has been only issuing about £5m *of its bonds a month instead* of the £10m originally planned.

This week, however, building society negotiable bonds were granted "trustee status" which means they are officially approved as liquid investments for anyone who holds the position of trustee.

Nationwide is hoping this will improve the popularity of the bonds, which up to now have been taken up almost exclusively by institutions. Private investors can buy them through a stockbroker.

Tim Dickson

A piece of Mayfair

'ANCY HOLDING a part hare of a Mayfair flat in your ortfolio? Henderson Adminis-*ration,* which *this* week aunched its British Residential Property Bond, hopes the nswer is "yes."

The fund does not intend to nvest in just any old residential roperty, but will concentrate xclusively on flats in London's West End.

Tim Walker of Henderson is confident, however that this sector of the residential market avoids these investment drawbacks. The value of the flats — £100,000-£250,000 — is high enough to go well beyond the scope of the Rent Act. And the fund will concentrate on seeking foreign occupants as tenants on a lease no longer than 12 *months.*

The fund is being managed by Hampton and Sons, a firm of surveyors and valuers specialis-*ing in this market. Gross yields* of 16 per cent before expenses and tax are common, but expenses are high and the after tax yield on the fund is in the region of 4-5 per cent.

Demand for such flats at the moment is comparatively weak with occupancy rates 75 per cent instead of the normal 85 per cent.

Investors should remember that when times are bad this sort of fund may have difficulties liquidating its properties. Residential property prices can be hit badly in a weak market, as the last few months have served to show.

A stake in Siberia

The Siberian share certificate

LAST TUESDAY a small British company acquired a minority stake in the Commercial Bank of Siberia. This was no run of the mill share swoop. For a start, the bank is no longer in business and what's more the shares are now being sold to the public. They were not listed *in London, and were bought* from an unnamed source.

The company which completed the deal was Herzog, Hollender and Phillips, the Bond Street dealers. They hold 11.6 per cent of the equity of the Commercial Bank of *Siberia, which specialised in* financing Siberian grain trade in Tsarist Russia. The bank was a key part in an elaborate British plot to influence Russia gaining partial control of its purse strings.

Unfortunately the plan, hatched by a group of British officers secreted inside Russia, with Cabinet approval, went badly awry. The original intention was to gain control of six banks in Russia and use them to finance Russians friendly to British interests.

To begin with all went well. Major shareholdings were acquired in two Russian banks. Then the pace hotted up when the British learned they were in a race with the Germans to acquire the Commercial Bank of Siberia. Back in London the Treasury began to get disturbed at the prospect of pouring more funds into the enterprise.

In a last ditch attempt one British officer on the ground agreed to buy the Commercial Bank of Siberia and to lend Karol Jaroszynski, a Polish banker who was acting as go-between, £500,000 to gain control of the other banks.

The Bolshevik victory put paid to the British plan. But worse was to come, for not only had Britain's chance of acquiring several Russian banks gone up in smoke but the British *taxpayer had to bear the cost* of the escapade. The managing director of the bank turned up in London clutching the contract from the British and demanded the £3m which was his due. The Treasury obliged.

The share certificates, 14 by nine inches, come in various denominations and colours. The shares have pictures of local characters and the script is written in Russian and French. One share of 250 roubles, which at the time of issue was equivalent to £26, is *now being sold for a £1.*

Sets consisting of the five denominations are on sale for £25. The shares can be obtained from Herzog, Hollender and Phillips at 9 Old Bond Street with 50p postage per order. Strictly for stocking fillers.

PROPERTY

Tempting Spain

BY JUNE FIELD

IT WAS Sunday brunch-time in the sunny *Puerto Banus* pavement cafe opposite the shark boat Crismar. former British Air Sea Rescue craft whose London-born captain. Gordon Bland. takes tourists hunting for the formidable fish.

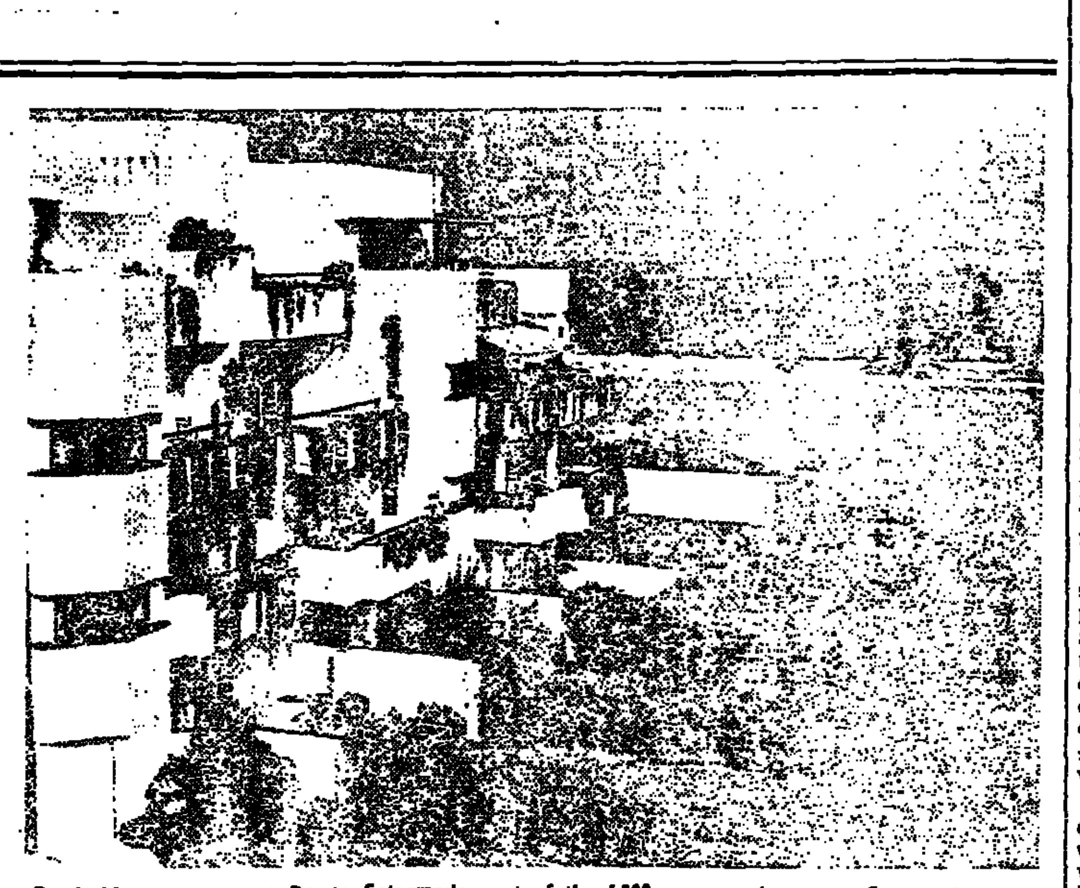
Favourite reading matter among the British contingent eating eggs and bacon was *Lookout*. Costa del Sol's English-language magazine whose current cover asks "Stewart Granger where are you?" giving their story of the ill-fated Rancho Verde real estate venture. The talk is mainly of property and of big money. much of it from the Middle East. continuing to pour in for the construction of yet more villas. townhouses. golf and marine apartments along the 80 miles or so. Malaga to Sotogrande. Last year over 300 new projects worth over 4,000m pesetas were said to have been approved by the Town Hall in Marbella. It seems much more.

This year has been one of recovery according to most agents and developers, with the British taking advantage of the listing of controls and the good exchange rate. But with so much on offer it is very much a buyer's choice. and those marketing overseas properties in Britain need to tempt clents just as much as for places at home. This means subsidised inspection flights. with Chesham Property Overseas also promoting a "one in 10 chance draw for a Fiat Panda car." and Gulf Leisure offering a free dinner for two to anyone viewing their time-share development overlooking the 13th fairway at the Aloha golf course.

Golfers are a prime target for promotion—there are 15 courses or so in the area. Atlantic Time Ownership have combined with the Dunlop Sports Company in a competition to promote their new Dunlop "65" golf ball. winners getting a three weeks a year ownership. "in perpetuity," of a fully-furnished villa or apartment in the beachside Marbesa Village. near Marbella. Another incentive is free golf for three years for two people on two of the leading golf courses nearby, which can save around £200 in green fees.

You can buy a week's share in a villa from about £800. according to the time of year: whole ownership of a similar luxury villa with swimming pool could cost you over £80.000.

Before going on down the coast I stayed at the superlative Hotel Los Monteros, with its own golf club Lew Hoad-managed tennis club and up-market property development which is now mainly re-sales. From there it is a relatively easy drive down to the beautiful 4.000-acre sporting estate of Sotogrande. within sight of the Rock of Gibraltar. One of the major promotion ploys here is that values will obviously increase when the border opens at La Linea.



Beach-side apartments at Puerto Sotogrande, part of the 4,000 acre sporting estate, Sotogrande, overlooking the Rock of Gibraltar, on Spain's Costa del Sol.

The smart beach apartments at Puerto Sotogrande over the bridge across the Guadiaro River. have been selling well to both British and Spanish since I first saw them building nearly three years ago.

The foundations are now being dug for the sixth block. There are still a few two and three bedroom apartments with good terraces with a view of the water for sale around £30,000 according to the rate of exchange. Buyers get the benefit of all the Sotogrande amenities (security gate, golf, tennis, polo and so on). I watched several chukkas, and with the sea as a backdrop. the riders on their Argentian and English and Spanish thoroughbred ponies are a stirring sight.

Jack and Marjorie Williams from Cirencester run a complete equestrian centre here, and on the days there is no polo there are stick and ball sessions, with tuition if you want it. and a wooden horse for beginners at the stables. There is also a miniature bull-ring where occasional *tientas* are held with a small calf.

There are various far-reaching ambitious plans for the further development of Sotogrande. and one of the most exciting is that for a François Spoerry-designed Marina. It has been masterminded by Puerto Sotogrande managing director *Sr Fernando Montojo*. whose brother José is an *aide-de-camp* to the King of Spain. Sr Montojo told me that he is still negotiating about finance, but is 90 per cent certain that everything will go ahead.

For details on Marbesa Village contact Mr Richard Tippett, sales director at Marbesa, an Australian who has been described as having "a smooth left-handed swing." or through Atlantic. Vogue House. 1, Hanover Square. London. W1. He will also provide information on next year's maintenance costs. which are already up 17.5 per cent in line with Spain's inflation rate. and weekend inspection flights at about £100: Los Monteros Hotel and property information from Mr D. Low. 17a. Walpole Street. London. SW3; and for a Puerto Sotogrande folder contact Miss Harriet Hagstrom. Puerto Sotogrande. Sotogrande. Cadiz. Spain. who can also supply a list of the various agents in Britain who handle sales as well.

Move to a new house for under £100

WHAT IS IT going to cost in hard cash? That is the major question most first-time house buyers ask. Some idea of what has to come out of your own pocket was shown by the "Move in for under £100" package launched last week by Lord Matthews. chief executive of Trafalgar House Group which encompasses New Ideal Homes. Trafalgar's newly christened house-building division.

The offer of a 10 per cent mortgage subsidy plus interest-waived five year £1.000 loan is not new. but before. one needed at least £500 to put in on exchange of contracts. Now, with half of the subsidy paid in advance (the balance comes 26 weeks after completion "on the obtaining rate") the total *cash* payment on a £21,000 house could be just £98.42.

Taking it that a single salary of £7.980. or joint salaries of £6,600 and £3,450 will justify a 95 per cent mortgage of £19 950. subject to valuation (monthly repayment £182.38 after tax allowance. depending on the differential rates of building societies). the table shows how it works out.

Details of houses. apartments and maisonettes in the £20.000 to £22.000 bracket in Basingstoke, St Albans and Woking from Mr Christopher Price. marketing director. New Ideal Homes. Goldsworth House. St Johns Road. Goldsworth Park. Surrey. plus a special house-buying leaflet.

MOVING IN FOR £100

		What and when you actually pay
When you reserve you pay a deposit of		£60.00
When you apply for a mortgage you pay the valuation fee of		£40.15
You apply for a £1,000 interest waived loan		NO PAYMENT
Six weeks after contract documents have been sent to your solicitor you exchange contracts on £60.00 (you have already paid this as your initial deposit)		NO PAYMENT
When property is ready for occupation your solicitor will get the building societies cheque for £19,950.00 on your behalf		NO PAYMENT
We shall send your solicitor a completion statement as follows:		
Balance due	£20,940.00	
Less interest waived loan	1,000.00	
Less mortgage subsidy	349.13	
Amount due	£19,590.87	NO PAYMENT
Your solicitor will thus have £359.13 of your money, and will pay your stamp duty, land registry fees, and take his fees totalling £357.40. He will give you a refund of		£1.73
YOUR TOTAL CASH PAYMENT		£98.42

GARDENING

Master and mistress of garden design

BY ARTHUR HELLYER

THE GREAT Lutyens exhibition at the Hayward Gallery. London, must attract all architects who have not been blinded to the Lutyens genius by the denigration of his work since his death in 1944.

Fortunately gardeners have scarcely been touched by this. partly because Lutyens has always been linked with Gertrude Jekyll who planted many of the gardens he created, especially in the first 20 years or so of their friendship which started with a meeting at Littleworth Cross, Surrey in 1889.

It was in this period that most of his famous country houses were built and subsequently. when he became much more involved with town houses and public works there was far less scope for Miss Jekyll's delicate blendings of plant colours, forms and textures.

There is a strange paradox about the way in which time has treated the work of these two great collaborators. Not a single Jekyll garden remains entirely in its original form and yet gardens in the Jekyll manner are to be seen everywhere since the cosy yet sophisticated style which she expounded and practised so well has remained dominant in English garden making ever since.

By contrast most of the great Lutyens buildings have survived more or less in their original form but they no longer have any influence on architectural thinking. The fertile imagination which enabled Lutyens to borrow ideas from many traditional styles and transmute them into something immediately and indisputably recognisable as his own has no message for architects or their clients who are for the most part preoccupied with advanced technology. abstract design and functionalism.

There is no room for the fanciful decoration and individual craftsmanship which were the hallmarks of all followers of the 19th century Arts and Crafts Movement to which category Lutyens certainly belongs in his early years.

Even in gardens it may no longer be practicable to construct on the scale or with the elaboration which he favoured. The cost of making his massively pillared pergolas, sweeping flights of stairs, constant changes of level, elaborately patterned walls and paths, and water used in many formal ways would be enough to deter most private garden makers yet I feel sure that a great many will find inspiration among the hundreds of pictures displayed at the Hayward Gallery.

They may note the very different use of very similar pergolas at Hestercombe, near Taunton, Somerset and Little Thakeham, Surrey. In both, sturdy oak beams are supported by substantial pillars of local stone but at Hestercombe the pergola is set across the end of the garden, drawing the firmest possible line between it and the farmland beyond, whereas at Little Thakeham it begins where the garden ends and is thrust out like a giant finger pointing straight at the Sussex fields and orchards.

In both gardens there are the long narrow water channels or rills which Lutyens used so often and which Miss Jekyll usually planted with just a few clumps of water irises. Today these may seem rather mannered and ineffectual, but Hestercombe, like Deanery Garden, Sonning, Berkshire, has the half-moon pools backed by matching curved recesses and with *small wall* fountains providing yet another curve in the same arc which, with variations, were another favourite Lutyens device and seem as delightful now as when they were first made.

There are many details of work which can be copied or adapted to suit the smaller, less costly gardens common today. Lutyen's paths and walls are marvellously varied in pattern and material and are still appropriate for any garden in which local material is used in traditional ways.

This is a do-it-yourself age and there is nothing here that a patient gardener could not copy and it might well be that the finished product would actually be more satisfactory and permanent than the original for, in spite of all the talk about high-grade craftsmanship, it often appears from their condition today that much of Lutyens garden work was not carried out as well as it might have been.

Too often over the years terraces and paths have subsided for want of proper foundations, paving slabs have become so disturbed that they are dangerous to walk on, pools and rills have developed cracks and have either been allowed to run dry or have been expensively restored, and pergola pillars have become seriously eroded because the local stone of which they were built was too soft to stand the freeze and thaw of British winters.

Nor is it simply ideas for garden architecture that can be obtained from this exhibition. A number of Miss Jekyll's planting plans also find a place and could be adapted for other areas of similar shape and size. Though the garden varieties she used may not always be available, that matters little since others of similar character are almost certain to be on sale. It was characteristic of her outlook that she nearly always used fairly common plants, choosing them solely for their visual and garden-worthy qualities and not at all for rarity or snob value.

She seldom visited the gardens for which she supplied planting plans, preferring to rely on Lutyens to send her outline drawings and information about any special requirements of site or client. Her plant palette was chosen almost entirely from what she grew in her own garden at Munstead Wood, near Bramley, Surrey and this occasionally led her into errors of judgement through failure to appreciate the very different conditions of soil and climate they might have to endure elsewhere.

Even in a site that she did visit, that at Lindisfarne Castle on Holy Island off the Northumbrian coast, it is noticeable that few of the original Jekyll recommendations have survived since they were unable to withstand the bleak climate.

Where Miss Jekyll excelled was in her use of colour, form and texture to create beautiful plant compositions and these, combined with Lutyens architecture, was what made their gardens so rewarding and still so relevant for garden makers today.

The Lutyens exhibition remains open until January 31, 1982.

LEGAL NOTICES

No. 003426 of 1981
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
BROWN BROTHERS CORPORATION LIMITED
and
IN THE MATTER OF
THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that a Petition was on the 16th day of November 1981 presented to Her Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the capital of the above-named Company from £6,500,000 to £5,078,882.70 in accordance with the terms of the said Scheme of Arrangement.

And Notice is further given that the said Petition is directed to be heard before the Honourable Mr Justice Vinelott at the Royal Courts of Justice, Strand, London, WC2, on Monday, the 7th December, 1981.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose. A copy of the said Petition will be furnished to any such person requiring the same by the under-mentioned Solicitors on payment of the regulated charge for the same.

Dated the 26th day of November, 1981

SLAUGHTER AND MAY,
35 Basinghall Street,
London, EC2V 5DB.
Solicitors for the said Company.

[T]RAVEL

Off-season cities

BY SYLVIE NICKELS

COUPLE OF WINTERS ago ile we were scurrying round lsinki in a cold snap that was ter even for those latitudes, passer-by stopped my husband d pointed worriedly at his se. On investigation we found was showing the first signs of ist-bite which soon disappeared after appropriate bbing.

You might find this a discouraging factor for visiting a rdic city in winter, but once e temperatures had clambered ck to the normal few degrees low freezing, we found it chanting. Trade was brisk in e open-air market by the ely South Harbour and somee had cleared an area of the rbour ice for the ducks and lls that were being amply fed kindly citizens. People were i-ing to work across the parks d there were plenty of conrts and other happenings to ike for varied evenings. It s all very invigorating—and total change.

Finlandia Travel do weekend ckages to Helsinki costing m £157 for three nights b d b. Thomson's wide selection ludes Reykjavik (three nights m £158 in March) or, if you nt to go the whole Arctic g, Alaska (eight nights, £314, bruary-March). The latter ers such optional extras as a g-sled ride or you might incide with the annual ichorage Fur Rendezvous, a eat winter carnival-cum-fur iction, in February.

If you prefer your winters to a little less uncompromising, ere is no shortage of city ckages in other directions. ie great winter bonus of most them is the rich availability music, drama and art treasures, and there are very few cities indeed that don't repay a little gentle legwork. Consider, for example, Florence, Rome, Madrid and Vienna, all featured by both Thomson and Pegasus. I think I would put Vienna at the top of that quartet, partly because of the magnificently plush coffee houses and jolly *heuriger* (wine taverns) with which you can punctuate your sightseeing. The coffee houses, some of which take you straight back to the days of Maria Theresa when many of them originated, serve arguably the best (and most expensive) coffee in Europe. Your budget will fare better on the light local wines served up in quarter-litre tankards in the taverns.

A three-night b and b arrangement ex-Luton with Thomson costs from £113, with Pegasus from £140 at a more central hotel.

Vienna, incidentally, offers free entry to its famous national museums at weekends throughout the winter. There is also a special "Vienna Intermezzo" package for motorists this winter — an excellent bargain costing from £44 for three nights b and b including a sightseeing tour, operetta ticket, wine tavern visit, free public transport season ticket and several other extras. The Austrian National Tourist Office can give details.

Not surprisingly, Italian cities feature in a number of programmes. In most cases the January temperatures are at least a few degrees higher than London's and the combination of galleries stuffed with art treasures, fashionable shops and a lively night life make attractive ingredients for any winter break. Edwards of Westminster offer arrangements from three nights upwards in Rome, Florence and Venice, covering b and b, return flight and a half-day sightseeing tour; three nights in Rome, for example, start at £157. In Venice, the splendid Gritti Palace Hotel is featuring history and art in a three-night package costing £190; this covers half board in what is truly one of the grand old hotels of Europe, guided tours and lectures by art experts (Monday-Wednesday), but not travel. The arrangement is marketed by Brompton Travel, along with other "Winter Invitation" breaks to any of the 13 top class hotels in the Cigahotels group, using a system of vouchers interchangeable at all the establishments.

Time Off are long established for their year-round trips to the nearer cities of Europe. The permutations are considerable according to the form of travel, category of hotel and choice of b and b or half board, so that individual requirements are catered for in all respects. Thus three nights in Amsterdam with return travel can range from £75.40 to £163.80. If you stay five nights or more and travel by Sealink, you get free second class return rail travel thrown in from anywhere in the UK to London. Time Off can also fix you up with round trips incorporating their other arrangements to centres such as Paris, Brussels and Bruges.

Other possibilities on a rather more do-it-yourself basis are opened up by making use of some of the special low cost winter flights on offer. Slade, for example, have announced such flights to Stockholm, departing every Thursday and returning Mondays. The cost is £20 lower than the Apex fare and no advance booking is necessary. Sweden's water-laced capital is a delightful city with a wealth of museums and sophisticated night life. Destinations served by Falcon's Poundsaver flights include Geneva and Zurich at substantial savings, with the advantages that both these cities provide for quick access to the mountains. These flights are also being incorporated into a City Breaks programme that will be available from Falcon shortly.

Further information: **Finlandia Travel, 49 Whitcomb St., London WC2; Thomson, Greater London House, Hampstead Rd., London NW1 7SD; Pegasus, 33/35 Buckingham Palace Rd., London SW1W 0PP; Austrian National Tourist Office, 30 St. George St., London W1R 9FA; Edwards of Westminster, 276 Preston Rd., Kenton, Harrow, Middx. HA3 0QA; Brompton Travel, 206 Walton St., London SW3 2JP; Time Off, 2a Chester Close, Chester St., London SW1X 7BQ; Slade, 15 Vivian Avenue, London NW4 3UT; Falcon, 260 Fulham Rd., London SW1W 9EL.**

Horse drawn taxi drivers in St Peters Square, Rome

Greek islands

BY PAUL MARTIN

MORE YEARS ago than I care to remember I tried to master the intricacies of classical Greek before moving on to study the progress of those epic struggles against the Persians. But I can still at least read the street names.

Centuries later Lord Byron was perhaps the first great propagandist and our inbuilt love of Greece and her islands has been reflected in the extensive promotional campaigns undertaken by the country's tourist authorities.

The Isles of Greece are places for all ages and for nearly all seasons and lending themselves to a great diversity of holiday interests. They come in a wide variety of shapes and sizes, popping up out of the deep blue Aegean, and few people can really claim to know more than a handful of them. If the number of Greek Islands—accepting that a single uninhabited rocky chunk also qualifies—runs into thousands, the number of tour operators featuring them also increases each year and there are currently over a hundred.

So, avoiding a proliferation of names, addresses and prices plus the risk of unintentionally leaving out some of the specialist organisations, a comprehensive list detailing who goes where and what type of holiday they offer has been compiled. Tour Operators to Greece is available free of charge from The National Tourist Organization of Greece, 195/197 Regent Street, London W1R 8DL (734-5997).

I will therefore simply give a few examples of particular types of packages to different islands. However, ever since the introduction of a wide range of cheap air fares, sometimes involving token accommodation, the adventurous—not necessarily those in the first flush of youth—can always go off island-hopping staying in little pensions and tavernas. If you intend to go in the height of the summer, do plan ahead, getting yourself to "Island One" and then checking locally about ferry timings and frequencies.

If you want to do things the easy way, flying straight to your island destination before settling down to sizzle pleasantly in the summer sun with the beach as a priority, Allsun has both hotel and self-catering arrangements on Rhodes, both in the town itself and along the coast on the road to Lindos.

Water seller on a Greek island.

Rhodes, occupied for 200 years by the Knights of St John, has a magnificent and splendidly preserved castle which dominates the town but, even if you think that antiquities are not really for you, do bestir yourself from lotus-living at the beach or pool and don't miss Lindos.

Lindos lies at the water's edge and you can either walk or ride by mule up to the crowning summit of the Acropolis perched high above with the ruins of the massive and noble columns. The setting is dramatic and breathtaking with, far below you and looking like favoured toys, the diminutive, coloured fishing boats bobbing at their moorings in the lucid aquamarine.

There is also easy air access to Crete, the largest of all the Greek islands, where the two rapidly developing resorts of Elounda and Aghios Nicolaos cater for all tastes. Even so, you are still manifestly in Greece. If you are prepared to take pot luck, you are unlikely to get stuck for accommodation.

It was in Crete that the Minoan civilisation flourished but, even as a complete layman, I have considerable reservations about the extensively restored palace at Knossos. Many of the embellishments are replicas of the originals now in the splendid museum in Heraklion.

Moving down in the size scale. Greek Islands Club includes Paxos, the smallest of the Ionian Islands, with its minute afterthought. Anti-Paxos, just a mile away. This is true holiday escapism, catering for yourself in a cottage at the water's edge in one of three fishing villages along the coast. Paxos prides itself on *not* possessing an airport, a cinema, a swimming pool, a supermarket or even a petrol pump. That says it all—idyllic relaxation away from the commercialism of holiday ballyhoo.

First impressions are important and Mykonos, for which I still have a great liking, was the first island I visited.

It's a picture postcard come to life with its white buildings, gleaming in the sun, set around the curving harbour of the main town with the little blue-domed seamen's chapel on the port. It is essentially changeless and, with its profusion of churches and enough windmills to keep even Don Quixote happy, it is also my idea of what a Greek island is all about.

Perhaps the best way of all to see something of the islands is from the sea, whether you cruise in the conventional way or go out with one of the many companies which now offer flotilla and self-sailing holidays. Their brochures seem admirably clear with a great accent on safety and it remains your responsibility to indicate clearly just what experience on what type of craft you have had.

It's really just a question of finding your own island—thousands return to the same spot each year—and in that hospitable climate, where language no longer seems a problem, there is no more pleasant place to wind down than in one of the countless isles of Greece. Who's for another Ouzo?

11-year-old world beater

MOTORING

STUART MARSHALL

[T]HE FIAT 127, which was the [fi]rst of the super-minis, has [b]ecome one of Europe's most [su]ccessful cars.

From its launch nearly [1]1 years ago, this front-[w]heel driven, cross-engined, [a]ll-independently suspended [e]conomy car has been a trend [s]etter. Though it began life as [a] two-door, two-box saloon, a [h]atchback version emerged within the year.

In 1973, it replaced the Volkswagen Beetle as the best selling car in Europe and held the title for six years. It has [le]d the registration charts in [I]taly for the last 10 years and will probably continue to do so for another year or two. While Ford didn't exactly make a carbon copy of it, the close similarity between the Fiat 127 and the Fiesta is no coincidence. Ford admit they stripped a small fleet of 127s down to the last nut and bolt and costed out every spot weld before designing their first small front-drive car.

When the Fiesta began establishing itself in the market, Fiat pulled a Mk II version of the 127 out of the [h]at four years ago, with a 1,050 [c]c engine to supplement the original 903 cc. A 70 hp 127 Sport appeared, followed by a Brazilian 127 with an engine running on pure alcohol and then by a 127 diesel, the smallest of its kind in the world. We don't see them in Britain, but there are five-door 127s and an attractive Panorama estate.

Last week, as total 127 production passed the 5m mark, Fiat unveiled the Mk III. It has been considerably restyled front and back but is more than just another facelift. The interior, which has always performed the apparently impossible by allowing five adults to sit not uncomfortably in a 12 ft 4 in long car, has been made much smarter. The fascia is all new; there is a larger, 1.3 litre, 75 hp engine for the Sport; and, perhaps most important of all, a five-speed gearbox for all 127s except the cheapest ones with the 903 cc engine.

It is a proper overdrive gearbox, reducing engine revolutions from 4,700 to 4,100 per minute at 75 mph. The five-speed 127 I drove in Italy last week felt as though it would cruise all day long at 80-85 mph. Fiat say fuel consumption is significantly reduced; I found the reduction in noise level between the four and five-speed cars was striking.

The 50 horsepower 1,050cc engined 127 is faster in fourth than in the tall fifth gear (87 mph maximum) but the Soptrt's 75 horsepower 1.3 litre engine is man enough to pull 5,500 rpm in fifth, which takes it just past 102 mph on level ground with a little more to come on downgrades. And that makes the 127 Sport another worthy alternative to the 109 mph Metro Cooper I wrote about last week.

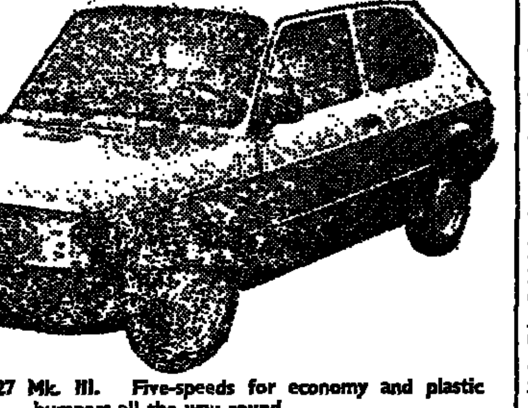
The worst one can say of the five-speed gearshift is that it feels a bit rubbery. There is a fair gap between first and second, but a very low first comes in handy if you are restarting, five-up and bulging with baggage, on an Alpine pass.

As always, the 127's suspension gives a shock absorbent ride over indifferent roads even if you drive Italian style and keep your foot firmly on the loud pedal. At tyre-squealing cornering speeds, the 127 still handles competently. In town, you forget about fifth gear but find that fourth does nicely down to 25 mph, from which acceleration is leisurely but non-jerky. Through the gears, the 1,050cc engined 127 takes 17 seconds to go from 0—60 mph, giving it a slight edge on the 1-litre Fiesta. The Sport, which takes just under 12 seconds from 0-60 mph, will see off any Metro or Fiesta except for the forthcoming Fiesta XR-2, due to go on sale here next month.

Fuel economy in any car with a small but willing engine depends entirely how you drive it. But the five-speed 1,050cc 127 returns 51.3 mpg and 35.3 mpg at steady speeds of 56 mph and 75 mph which means that the driver who pays his own petrol bills should have no difficulty bettering 40 mpg on a journey.

The new 127s will be in European showrooms in mid-December and arrive here in March. Prices have not been fixed but in Italy are unlikely to be more than four per cent higher than those of the current 127s. Fiat UK will probably toe the line. Current list prices are from £2,925 (the basic 903cc) to £3,665 for the Sport.

THERE CANNOT be any betting on Car of the Year this time. The votes have already been cast by the 44-strong international jury and the winner has been chosen—but the results won't be announced until the end of December, providing there are no leaks. Last year, there were and the winner had to be announced prematurely. But Ladbrokes rang to say they were interested and may well open a book on the 1983 Car of the Year stakes next September. Potential punters should watch this space . . .



The new Fiat 127 Mk. III. Five-speeds for economy and plastic bumpers all the way round.

Changing faces of caddies

GOLF

BEN WRIGHT

[C]ADDIES HAVE always been, [a]t least in my opinion the most [e]xtraordinarily diverse and [l]ovable breed. I hope they will [n]ever completely die out, [a]lthough the hand-pulled [t]rolley and the motorised cart [h]ave, in their turn dealt them [s]ome mighty body blows.

College scholarships in America and steadily escalating [p]urses available to professional [g]olfers everywhere have further [d]ecimated their younger ranks. [N]or has a time dishonoured [a]ttitude towards them, [o]riginally adopted in a bygone [a]ge—namely that they are [n]othing but a bunch of [u]ncivilised, dirty villains to be [h]idden from view whenever [p]ossible, and certainly never [e]ncouraged—been able to deter [a]n increasingly educated and [l]iterate number of recruits from [j]oining this nomadic profession [o]f late.

In my early days following [t]he British tour in the 1950s, [th]ere was a much higher pro[p]ortion of villains—most of [th]em self-confessed—than the [h]andful who have survived and [a]re still working regularly [to]day. And there are very few [h]opeless drunks left, many of [w]ho slept rough, and could do [o]r did little the following morn[in]g to disguise that fact.

When I played in my first [e]ver major pro-am at lovely [W]ollaton Park, Nottingham in [pa]rtnership with Neil Coles, I [w]as far too consumed by fear [to] dare hire a caddie. But one [of] the biggest and roughest of [th]e travelling "ne'er do wells" [on] the day saw me taking out [m]y trolley from the boot and unfolding it quickly in the hope of escaping his baleful glare.

In a trice he had grabbed my bag and informed me gruffly what I considered the exhorbitant sum I should pay him at the end of the day. In spite of all my misgivings he was worth every penny. But I shall never forget his answer when I was naive enough to ask what he did during the winter.

He listed in minute detail the catalogue of petty crimes, one of which he would have to commit in early Autumn in order "to keep myself warm in jail" for the requisite number of months—before resuming caddying the following April.

In a subsequent Bowmaker tournament at Sunningdale an elderly professional Scottish caddie of my acquaintance—known to me largely because of his sinister toothless grin and legendary drinking bouts—was wished upon me by the caddie master.

Why are they always called Jock? My form on the practice field must have unnerved this worthy because, having putted diligently for some half an hour afterwards, I could find neither Jock nor my clubs when summoned to the first tee. After several frantic and ever louder appeals by the starter had gone unanswered, a set of clubs on a trolley was rushed to me, and I duly began the round in even more of a lather than usual.

I had almost forgotten Jock when, on walking up the steep rise from the seventh tee I heard a guttural, toneless version of "Glasgow belongs to me" wafting back from beyond the ridge. "Where the hell have you been?" I duly asked Jock. "Well sir," he slurred, swaying gently: "I knew I must be with the wrong group after we'd gone seven holes and no one had asked me for a club. . . ."

Nowadays the professional caddie, particularly in America, is going ever more up market, educationally speaking. For instance Brad Klein, known by his colleagues as the "Professor," teaches political science at the University of Massachusetts, is studying for his PhD, and carried Bernhard Langer's bag in the World Series of Golf at Firestone last August. Other caddies I have met recently, and whose company I have enjoyed, include a lawyer who gave up a lucrative practice, two estate agents, a high school headmaster, and college graduates in accountancy, mathematics and meteorology.

Just as Klein is aptly nicknamed, so are most of the others, including my own faithful "Beer Can Laurie," a self-confessed former Chicago-born tearaway who found himself on the golf tour, and who is my Man Friday as my television scorer and spotter at weekends when his clients fail to make the Friday evening cut after 36 holes. Obviously in the era of such slavish devotion to yardage charts, and with so much money at stake, the good, intelligent caddie assumes ever greater importance.

Allowing for the wind, the pull of gravity and centrifugal force, I think you should aim at precisely five centimetres to the left of the hole

Under the pressures of modern existence and a difficult economic climate the best educated brethren readily confess to having been happy to get away from it all to the comparative serenity of the golf circuit—at least for them. And who can blame them? After all, in similar parlance to that traditionally employed by the boxer's manager: "We made eight birdies in the first 15 holes, but then he dropped five shots in the last three."

Finally I have to admit that the subject of caddies came to mind because I was privileged to play in, and win a minor tournament in Thailand recently at Bangphra, a splendidly scenic course in the foothills at Chonburi 60 miles south of Bangkok. For the first time in my life I was assigned a teenaged female caddie, who pulled the clubs on a trolley, and tried to be always at my side to shield me from the blazing sun with her dainty umbrella.

"Vipada," as this vision of loveliness was named, could speak little English. But every time she failed to understand me she would giggle infectiously, showing perfect teeth, the likes of which I have never seen before. One of my partners, a Virginian much younger than myself, was more than prepared to leave home for her long before the round was over.

All our caddies were female, all wore wide brimmed hats, yellow long-sleeved "Nehru" jackets, and black slacks. Without exception their behaviour was perfect from first to last, their golfing knowledge was apparently encyclopaedic, and their charm was, well how about enchanting?

Vipada marked and cleaned my ball on every green, replacing it with infinite care with the maker's name aligned along her idea of the line of the putt. She was infallible. After two holes she clubbed my every shot accurately.

She even insisted on smilingly retrieving the ball from the hole to save me from wetting my *hand*. For the first time for too long I played like a man inspired. Only now do I fully appreciate how valuable a really good caddie can be.

RACING

DOMINIC WIGAN

[F]OURTEEN, the number as a [ye]ar ago, are due to line up [fo]r today's renewal of the [H]ennessy Gold Cup in which [pa]rticularly strong cases can be [m]ade out for the three bottom [w]eights, Political Pop, Man [A]live and Shady Deal.

The best backed from the trio will undoubtedly be Political Pop, one of the juniors of the party. In fact, it is by no means impossible that he will jump off as market leader ahead of Diamond Edge following those spectacular displays by stablemates, Wayward Lad and Silver Buck.

Man Alive, off the course for the whole of last season (reportedly due to leg trouble) already has *one* big jumping prize under his belt. In 1979 the Gordon Richards chaser justified some hefty bets in the season's first major chase, the Mackeson.

Josh Gifford, for whom little goes wrong these days, has both Approaching and Shady Deal to represent him. The first-named, who triumphed in this race three years ago, cannot be ignored with only 2 lb more in the saddle. However, I, for one, will be more than surprised if he can leave his gruelling Ascot run of a week ago behind and successfully deal with Shady Deal to whom he will be conceding 8 lb.

Those who have backed Ekbalco down to 5-1 for the Champion Hurdle should not be surprised if Ireland's representative in the Berkshire Hurdle, Passing Parade, gives Roger Fisher's five-year-old a good tussle.

Half an hour later Friendly Alliance is given a confident vote in the North Street Chase in which Beacon Light is his only high-class opponent.

NEWBURY

1.00—Joe Sunlight**
1.30—Brown Chamberlin
2.05—Shady Deal
2.35—Ekbalco
3.05—Friendly Alliance***
3.35—Laureppa

MARKET RASEN

1.15—Moor Close
1.45—*Low Quay*
2.45—Jimbrook

WOLVERHAMPTON

1.00—Tilthammer Mill
1.30—Pirate Son*

COMPANY NOTICE

NOTICE OF EXTRAORDINARY GENERAL MEETING

DISCOUNT BANK INVESTMENT CORPORATION LIMITED
16 Beth Hashoeva Lane
Tel Aviv
Israel

NOTICE IS HEREBY GIVEN that on 26th December, 1981 at 10.00 a.m. an Extraordinary General Meeting of the shareholders of Discount Bank Investment Corporation Ltd. will be held at the registered office of the Company at 16 Beth Hashoeva Lane, Tel Aviv, for the following purposes:

1. (A) To transfer from the existing reserves of the Company to a reserve for a capitalisation issue of shares an amount necessary for the making of a capitalisation issue of shares at the rate of 75 per cent on the nominal value of shares held by the shareholders of the Company on the register on 3rd January, 1982 and to approve the issue of shares at the above rate.
   (B) The shares to be issued will rank pari passu with the existing ordinary shares of IS.0.5 each and will entitle their holders to any cash dividend and/or capitalisation issue of shares, if declared in respect of the financial year of the Company starting on 1st January, 1982. No fractions of ordinary shares will be issued, such fractions will be cancelled.
2. (A) To transfer from the existing capital reserves of the Company an amount of up to IS.1,406,176 to a special reserve for a capitalisation issue of shares for the purpose of making a capitalisation issue of shares to the debenture holders of series 135 and to the holders of option warrants series B if and when such debenture holders and/or such holders of option warrants will convert their debentures and/or their option warrants into shares of the Company.
   (B) To empower the Board of Directors of the Company to make out of the above reserve a capitalisation issue of shares of IS.0.5 each to the debenture holders series 135 and to option warrants holders series B if and when such debenture holders and/or such option warrants holders will convert their debentures and/or their option warrants into shares of the Company.
3. To adopt the following resolutions as special resolutions:—
   (A) To change the name of the Company to: DISCOUNT INVESTMENT CORPORATION LIMITED or a similar name as may be confirmed by the companies registrar and to request all the necessary confirmations required by law.
   (B) To divide each one of the 130,000 ordinary shares of IS.10 each of the Company into 20 ordinary shares of IS.0.5 each which will rank pari passu with the existing ordinary shares of IS.0.5 each.
   (C) To increase the registered share capital of the company from IS.115,000,000 to IS.200,000,000 by the creation of 170,000,000 new ordinary shares of IS.0.5 each.
   (D) To delete Article 5 of the Articles of Association of the Company by replacing it with the following Article:
   The share capital of the Company is IS.200,000,000 divided into:
   (a) 400,000 founder shares of IS.0.5 each.
   (b) 392,600,000 ordinary shares of IS.0.5 each.
   (c) 350,000 8.5 per cent cumulative participating preference shares.
   (E) To amend Article 69 of the Articles of Association of the Company by deleting in that Article the words "or ordinary share of IL.100."

DAVID S. COHEN.
Secretary of the Company.

Notes:—
1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A person appointed as a proxy need not be a member of the Company.
2. The bearer of a share warrant may deposit the warrant at the office of the Company or at Ravensbourne Registration Services Ltd., Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time of the meeting. The depositor shall be entitled to attend and vote at the above meeting.

CHRISTMAS BOOKS—1

Toughie as dandy

BY ANTHONY CURTIS

Selected Letters of Raymond Chandler
edited by Frank MacShane. Jonathan Cape. £12.50. 501 pages

We thought we had seen the last of Raymond Chandler but here is some more. That must be good news. Of course we knew from *Raymond Chandler Speaking* (1962) edited by Dorothy Gardiner and Katherine Sorley Walker, that his wise-cracking, knockdown, tough guy prose was not confined to his novels, but the extracts from his letters in that volume were too carefully filleted off the bone for my taste. They were chopped up, you remember, into arbitrary divisions: Chandler on Chandler, Chandler on the Craft of Writing, Chandler on Hollywood, Chandler on Cats.

These were fine but one was frustrated by not being able to read the letters in full and in the correct chronological sequence. Thanks to *Selected Letters of Raymond Chandler* edited by Frank MacShane (Chandler's biographer) this one can now do.

The word "Selected" in the book's title probably means that even now there are some people or institutions not prepared to disgorge their letters for publication, and there is still a proliferation of three dots in the texts where cuts have had to be made in deference to the sensitivity of people still living. Even so the volume has almost twice as many pages as the earlier.

One of Chandler's most entertaining aspects as a letter-writer is the brilliantly penetrating character-sketches he gave of his friends and acquaintances. You get a warm friendly letter to A thanking him for the dinner-party, immediately followed by a letter to B containing a merciless account of all A's weaknesses and defects. Memo: never invite novelists home to dinner.

The editor's task has been lightened a little by Chandler's practice in his later years when he was a celebrity, of dictating letters to a secretary and keeping a carbon copy. What from another author would have been a routine letter to his agent or publisher querying some point in a contract, becomes in Chandler a wonderfully witty performance going on for several pages which develop a fascinating assessment of his own style and scope as a mystery-writer. His letters to his British publisher, Hamish Hamilton, are particularly rich in this vein. Like Maugham (with whom he also corresponded) Chandler felt somewhat ambivalent about the nature of his own success. He knew that he was the top of his own particular tree, but he wanted it to be transplanted into the sacred wood of literature with encomiums from the leading critics of the age. He had himself once been a critic, writing for the literary magazines, when he was a young man in England. His career as a mystery-writer did not begin until he was well past 40, after he had had a long spell as an executive in the oil-business.

It is noticeable that there are almost no letters from this early period. Posterity cannot make direct contact with the young or early middle-aged Chandler. He seems to arrive on the scene fully armed around 1939 writing to Alfred Knopf about his next book with the publication of *The Big Sleep* in that year and *Farewell My Lovely* in the next. His passion for the craft of his job and for the verbal figure-skating that can be performed with the language used by hoodlums is already apparent.

Chandler noted that in *The Iceman Cometh* (a play he did not admire) O'Neill uses the expression "the big sleep" as a synonym for death as if it was the common coinage in the underworld which it now is. Chandler in fact made it up. Recently we have seen the same process happening with the argot Le Carré invented for his Circus: it has passed into general use, filling a gap or two in the language, as in the case of the notorious word "mole."

Unlike Le Carré, Chandler was a stylistic dandy, a verbal dude among mystery-writers. The violence in his stories he admitted, was often bogus, the plots a mess ("organic" was his polite word for them. No wonder he hated the work of Agatha Christie and the Detection Club with their sense of order and logic). But Chandler's people on both sides of the law, their speech and settings, the gigantic web of deception and corruption in which they are entangled, remain stunningly alive.

Here he is in 1951 at his happiest reminding Hamish Hamilton that.

> Well, Christmas with all its ancient horrors is on us again. The stores are full of fantastic junk and everything you want is out of stock. People with strained agonised expressions are poring over pieces of distorted glass and pottery, and being waited on, if that is the correct expression, by specially recruited morons on temporary parole from mental institutions, some of whom by determined effort can tell a teapot from a pickaxe.
>
> My love and best wishes to you and yours.

Raymond Chandler in 1958

Rites of Winter

BY GAY FIRTH

As rites of winter go, Christmas is a pretty recent arrival. Shirley Toulson's **The Winter Solstice** (Jill Norman and Hobhouse, £5.95, 120 pages) puts the Christian festival firmly in its place: in sequence with pagan ceremonies and customs observed by ancient religions since Neolithic times, throughout the British Isles. Readers fascinated by carefully researched folklore will be happy with this from Hallow E'en to Candlemas; but we seek hope, too, that the forces of darkness will once more be defeated in the annual struggle of the seasons.

Tom Vernon's **Fat Man on a Bicycle** (Michael Joseph, £7.95, 288 pages) is a loving portrait of pastoral France in soft, enchanted summer: and an enchantingly comic account of how one allegedly "simple" Englishman reacts under the impact of charged particles of Frenchness. Tom Vernon, evidently even nicer than he is fat, is a wonderfully genial reminder that any of us can ride a bike from chilly North to sunny South, to the Mediterranean. Few of us, though, could write about it so engagingly, so hilariously, or so well.

Mrs L.—Alice Roosevelt Longworth—(Duckworth, £8.95, 203 pages) is as engaging as she is hilarious. Her quicksilver wit enlivened Washington politics and parties for over 60 years. Daughter of Theodore Roosevelt, wife of a Speaker of the House of Representatives, she got good value from ringside seats around the White House; and so do we, via Michael Teague, who taped these conversations with her when she was over 90. Photographs show that she had style even in a baby bonnet: and her philosophy of life, aptly, was: "A merry heart doeth good like a medicine."

Barbara Griggs's heart, and book, is less than merry. **Green Pharmacy** (Jill Norman and Hobhouse, £8.95, 379 pages) compares modern medicine, and the drugs industry, unfavourably with herbal remedies and practice: a treasury of healing too valuable to ignore.

Herbal medicine must never find its way into John Grant's **Dictionary of Discarded Ideas** (Ashgrove Press, £6.95, 249 pages): a catalogue, sometimes a very funny one, of history's also-rans. The Flat earth, the Hollow earth, the World Ice Theory, and ancient astronauts skimmed in and out of credibility in their day, along with a scheme to staple together the San Andreas fault. Wrong answers are often more fun than right ones.

Thomas Hardy (Weidenfeld, £5.95, 126 pages) is a round-up of landscape poems selected by Peter Porter, with misty, beautiful photographs by John Hedgecoe. It covers the broad span of Hardy's poetic achievement, from the Cornish scenes of his courtship, the Wessex poems, and the incomparable later laments.

Here is a book to brood over, and with: and when you have sunk yourself deep in landscape you will be ready for **Ielfstan's Place: 15,000 BC-1919 AD** (Heinemann, £7.50, 218 pages): Richard Girling's extraordinarily evocative "reconstruction," in fictionalised episodes of Ilsington, in Devon, over the centuries.

Ielfstan was the Saxon lord who gave his name to this village perched on the edge of Dartmoor, under Hay Tor. Mr Girling leaps the time gap between Palaeolithic visitations and the end of the Great War: by way of Roman and Viking settlements, the Black Death, Reformation, Civil War, and the Industrial Revolution. Nerve, literary skill, and scrupulous research pay off: it is a riveting book for the time machine of Christmas.

So is **St Petersburg: A Traveller's Companion** (Constable, £9.95 hardback, £5.95 paperback, 303 pages). Laurence Kelly's graceful, cultivated focus on pre-Revolutionary Leningrad is that of the leisured 18th century traveller: more than 100 extracts, illustrated with contemporary prints and paintings, from letters, biographies, diaries and literature of the period 1703-1917. His selection is a magic lantern on place and people: Russians and foreigners; major events in Russian history in eye-witness immediacy; so vivid a book that you need not hasten to travel there yourself: and certainly should not hasten when you arrive.

Travel slowly like the folk in Ludovic Kennedy's splendid compilation, **A Book Of Sea Journeys** (Collins, £7.95, 395 pages) is no "Arrh, Jim lad" cargo of creaking timbers and salty old salts; nor even about ships. It is an anthology of outstanding writing about people at sea: from novel writers like Conrad, poets like Byron and Auden; from letters, journals, verbatim reports from Select Committees on the slave trade: from the best literature.

Curtain calls for all

BY B. A. YOUNG

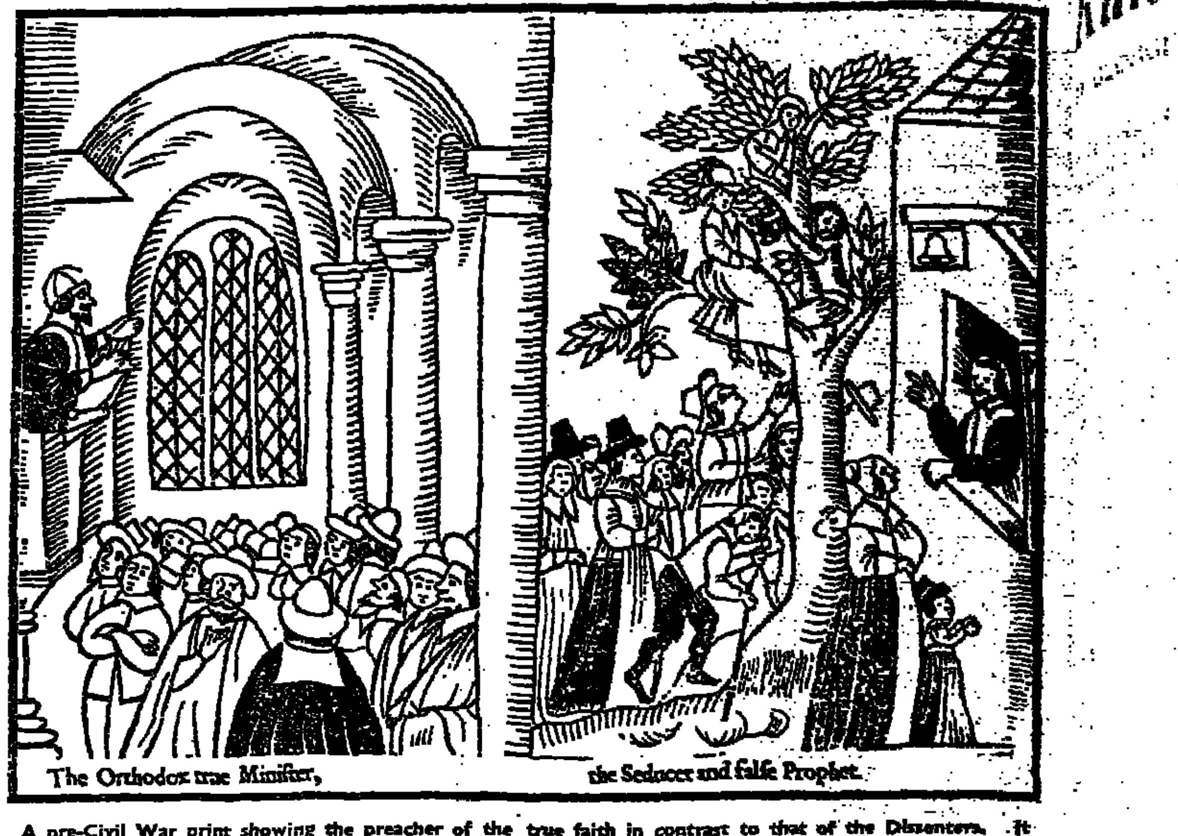
Divide them into three. First, for those interested in the players. **Olivier** by Thomas Kiernan (Sidgwick and Jackson, £8.95, 302 pages) is a good primer for Lord Olivier's impending autobiography, well-informed in a personal rather than a dramatic way, poorly-chosen pictures. **Elizabeth Taylor, the Last Star** (Michael Joseph, £8.95, 347 pages) is by Kitty Kelley, who called her book on Jacqueline née Bouvier "Jackie Oh!" Miss Taylor is suited to similar treatment. Excellent reference sections and pictures, up to this year's "The Little Foxes." **An Invisible Friendship** (Macmillan, £8.95, 267 pages) is a correspondence between Joyce Grenfell and Katharine Moore, heart-warming in the extreme. **Bob Hope, The Road from Eltham**, by Charles Thompson (Thames Methuen, £7.50, 250 pages) is a stocking-filler for film-fans.

Next, for those whose main interest is in the drama. **New Theatre Voices of the Fifties and Sixties** (Eyre Methuen, £9.95, 308 pages) is a reprint of **The Encore Reader**, a selection from that priceless magazine from 1956-1963, of both current and historical value, revealing which fireworks have survived and which burnt out. Ditto ditto **Of the Seventies** (Eyre Methuen, £9.95, 200 pages) contains 16 interviews from Theatre Quarterly with today's fireworks—Bond, Brenton, Barker, etc. Bit expensive? Paperbacks at £4.95.

The Nicholas Nickleby Story by Leon Rubin (Heinemann, £10.95 hardback, £4.95 paperback, 192 big, sparsely-filled pages) tells how the RSC blockbuster was made, well worth having at any price.

John Allen's **Theatre in Europe** (City Arts, £11.95, 320 pages) is a valuable survey of how theatre is sustained in Europe, and how players exist in it. Derek Salberg's **Once Upon a Pantomime** (Cortney Publications, £3.95, 195 pages paperback) tells all there is to be known about pantomimes, largely from his own experience.

Finally, spin-offs. Leonard Rossiter has collected **The Lowest Form of Wit**, an anthology of the sarcastic (Michael Joseph, £5.95, 154 pages, drawings by Honeysett); and Bernard Miles and J. C. Trewin, in **Curtain Calls** (Lutterworth Press, £8.95, 192 pages) an all-embracing bunch of theatre anecdotes.



A pre-Civil War print showing the preacher of the true faith in contrast to that of the Dissenters. It comes from "The Christian World," a social and cultural history of Christianity (Thames and Hudson £16.00) edited by Geoffrey Barraclough

Zebby, Quincy and Co

BY RACHEL BILLINGTON

Children's books seem more splendid than ever this year. The lavishness of illustrations and colour which we have grown accustomed to in the younger children's books now seems to be spreading into large volumes, compendiums of poetry and prose for the middle-range reader. Authors, too, seem to have become grander, bearing names usually seen in adult lists or on the television. Alan Coren, John Wain, Terry Jones, Tommy Steele, Edna O'Brien . . .

In fact my award for the year goes to a series of books with no writing at all. These are small cardboard laminated books about the adventures of a zebra. There is **Zebby goes swimming, Zebby's breakfast, Zebby gone with the wind.** I am happy to report they are as popular with my two-year-old son and five-year-old daughter as myself.

Almost all make a play on the theme of Zebby's stripes. Story and picture are brilliantly in tune. On one occasion his stripes blow away in a gale and are brought back by birds. On another he escapes a hungry lion by lining himself up against a railing so that he becomes invisible. They are by Binette Shroeder, Methuen/Walker, £1.50 each.

A series with words also for youngish readers which is very imaginative and successful is the six Mrs Babcary's. I have **Mrs Babcary's Treat, Mrs Babcary's Diving Machine** and **Mrs Babcary's Steam-cart.** These have as their heroine a central figure almost as unlikely as a zebra. Mrs B is a nice plump Edwardian-style woman with a bun on top of her head, many animal friends, an indomitable will to enjoy herself and a somewhat reckless nautical husband called Captain Babcary. The books are small but each contains a really exciting adventure illustrated with just the right amount of stimulating detail by Eleanor Newton. The text is by John Goldsmith, Pelham Books, £2.50 each.

The large format picture book can be a snare and delusion. One reading and it is thrown to the floor which, at over £4, makes for an expensive 15 minutes. The best, however, have story enough to be read over and over again. Once repetition is achieved there is no limit to its life. **Leese Webster** by Ursula Le Guin and James Brunsman is about a spider. Leese is the spider. But a most unusual one. Instead of being content to spin the conventional Webster family web, she is inspired to create new and ever more exotic patterns. It really is a most uplifting tale with original line drawings in two colours. It is published by Gollancz at £4.50.

Uplifting themes seem popular at the moment. **Only the Best** by Meguido Zola is the story of a father's search for the very best thing he can find to give his new-born baby. This turns out to be the kiss expressing his love. "And the Rabbi said: 'In sooth what more can one give than oneself'." It is a solemn and touching bookbeautifully illustrated by Valerie Littlewood. MacRae Books £4.95.)

How far children enjoy being frightened is a contentious subject. But there's no doubt that the fairy-tale tradition takes things furthest towards horror. Terry Jones has produced a book **Fairy Tales** with 30 stories of his own invention. A few titles give an idea of the range: "The Ship of Bones," "The Wonderful Cake-horse," "The Wind Ghosts," "A Fish of the World," which last opens "A herring once decided to swim right round the world. 'I'm tired of the North Sea,' he said, 'I want to find out what else there is in the world.'" Here is an author setting out to rival the classic fairy-tales and making an exciting job of it. The illustrations by Michael Foreman are suitably weird. For the faint-hearted I can report that almost every story has that essential antidote to horror—a happy ending. Pavilion publish it at £6.95.

More well-known names as we enter the story-book area. Tommy Steele has written his first attempt at the medium with **Quincy** (Heinemann, £3.95). This draws on the old theme of the toys coming to life after the toy-shop is closed. It develops into a well-constructed adventure, complete with Santa Claus, witch, book-worm and "Jolly Jim Crocker." All set for Panto?

More realistic (but not too much so) adventure and a good deal of comedy in Alan Coren's latest addition to his Arthur Books, **Arthur v. the Rest** and **Arthur and the Purple Panic** (Robson Books, £2.95). These are hardly demanding but good value to get a reluctant reader started. They are aimed pretty much at boys—usually the most reluctant sex.

Also with a male hero is Anthony Curtis's **Spillington and the Whitewash Clowns** (Pepper Press, £3.50). This tells the satisfying story of how the school dunce—well not quite—turns into a hero. On the way there's a circus and much drama neatly divided into 12 properly headed chapters. More masculine fare but for the slightly older reader in **Planet of the Warlord** by Douglas Hill (Gollancz, £4.50) and **Chips and the River Rat** (Anderson Young Reader's Library, £3.95). **Planet of the Warlord** was my ten-year-old son's first choice and seems to combine a high level of real science fiction attributes—imagination working on apparent real possibilities—as well as good old-fashioned excitement.

Roy Brown's final book in the "last Legionary" quartet, **Chips and the River Rat** comes in that category of realistic adventure story which seems popular among publishers at the moment. Children seem to read them with some enjoyment but little comment.

Older readers (and probably female) could choose another well-written novel by Diana Wynne Jones. This time it's a ghost story called **The Time of the Ghost** (Macmillan, £4.99). Happily, Miss Wynne Jones seems to look on teenage fiction as an art form rather than an opportunity for improving her reader's character. This is good news for writers and readers alike. Her heroines in the book are four sisters, Charlotte, Selina, Imogen and Fenella, who tangle in a most convincing manner with all the dangers of the supernatural.

John Wain has also produced a novel for teenagers, **Lizzie's Floating Shop.** This is published by Bodley Head as a paperback original which makes the cost a little more reasonable at £3.50 for more than 200 pages. Unsurprisingly, it is well-written in a simple but unpatronising tone. However, one of my teenage readers complained of an anti-climatical ending.

A facsimile edition of the score of Benjamin Britten's **Children's Crusade** with 12 colour reproductions of paintings to illustrate the work by Sidney Nolan is being offered *in* a limited edition of 300 copies by Faber and Faber at £60.00. These are *all signed by both Britten and* Nolan. Some unnumbered unsigned copies are available at £20.00.

Randolph One

BY GEORGE MALCOLM THOMSON

Lord Randolph Churchill: Political Life
by R. F. Foster
Oxford University, Press,
£15.00, 431 pages.

It was high time that Lord Randolph Churchill was rescued from the tomb of stately English and filial piety which his son raised over him. For it may be doubted if the heroic effigy upon that monument bears any close resemblance, save in the tragedy of his end, to the living, insubordinate, unstable, boundlessly ambitious and arrogant politician who dazzled British audiences in the eighties of last century. Reading his son's book in some well-stocked library in the hereafter, the great original may have some difficulty in recognising himself. Slapping his thigh in admiration, he may chuckle, "I did not think the boy had it in him."

The Churchills were a law and almost a party unto themselves. When there was a chance of Lord Randolph becoming leader of the Tories, Gladstone exclaimed: "Never! I forbid that any great English party should be led by a Churchill! There never was a Churchill from John of Marlborough down that had either morals or principles!"

Until 1940 that was, roughly, the opinion of many Englishmen. Later, there was a change of attitude to the clan. Their hereditary rudeness, their gift for wayward vituperation, these were forgotten in the general gratitude to the greatest Churchill since Marlborough.

But the distrust and dislike which was put aside in 1940, had its origin in the lurid career of Lord Randolph. Reading R. F. Foster's admirable new Life, which can be regarded as a corrective to Sir Winston's, it is easier to understand both the alarm and the fascination which Lord Randolph evoked. And perhaps today, when conventional parties, left and right, are not as they have not been for long, it is easier for us to understand the days when Salisbury was threatened by Lord Randolph and the "Fourth Party" looked like ushering in a new phase of political struggle in Britain.

Randolph Churchill was poor for a duke's son and, being a reckless gambler, was soon poorer. He married a beautiful and rich American but neither was faithful to the other and her money was not enough to save him from a growing mountain of debts. He had a partiality for "rough women" with whom he could roister in Jack Straw's Castle at Hampstead, or in the house in Paris which he shared with his crony, Tommy Trafford. There, he conducted what his political ally Wolff called his "mission of enquiry into the higher education of women." To his wife too much sympathy need not be given. She had a string of lovers of her own, Lord Wolverton, for instance, and, above all, the Austrian diplomat Count Kinsky, with whom however Randolph travelled amicably to Paris. In the robust Whig tradition about such matters, he tolerated "the Austrian alliance."

When, by royal edict, the Churchills were banned from Society, it was not because of any peccadillo of his or hers but because Randolph, injudiciously, took his brother Blandford's side in a scandal concerning a lady. Bluntly, Randolph tried to blackmail the Heir to the Throne. This the Prince resented and revenged. It was an odd quarrel because the two men shared many tastes, such as a liking for the company of millionaires.

Let this be said too: in the last months of Randolph's life, when the syphilis which had shadowed him for years emerged in the full horror of general paralysis, his wife stood by him.

Tragically, his public career, brilliantly audacious, marred by extraordinary lapses of judgment ("I threw away a great fortune, and I admit very recklessly"), exhibited the mental and physical marks of his malady. Not for nothing did the professor of Medical Jurisprudence at Glasgow recommend his son's life of Lord Randolph as a text book on the malady's later symptoms.

If Randolph Churchill's penchant for "rough women" had not had such a disastrous outcome, what would have happened in politics to this extraordinary man? This is the question with which Foster's deeply interesting and objective study leaves us.

Indian rising

BY K. NATWAR-SINGH

Amritsar
by Alfred Draper, Cassell, £8.95, 301 pages.

On April 13, 1919, a peaceful public meeting was taking place at Jallianwala Bagh in the city of Amritsar. Several thousand people had assembled to protest at the deportation of two locally prominent politicians, Dr Kitchlu (Muslim) and Dr Satya Pal (Hindu).

At 5.15 pm Brigadier-General Dyer, at the head of an armed force, reached the Jallianwala Bagh entrance—the only one. He ordered the 50 riflemen and 40 Gurkhas to enter the Bagh on the double. The crowd grew silent and rose to leave but it was already too late. Dyer gave the order to fire. For ten minutes bullets poured into the hapless, screaming, unarmed crowd. One thousand six hundred and fifty rounds were fired, 379 Indians lay dead, another 1,200 wounded. Not a warning had been given to the crowd. Not a stone had been hurled at the soldiers, not a stick raised.

What did Dyer have to say about his performance to the Hunter Committee set up to enquire into the Punjab disturbances?:

"I fired and continued to fire until the crowd dispersed, and I consider this is the least amount of firing which would produce the necessary moral and widespread effect it was my duty to produce if I was to justify Even after 60 years it makes one sick to read these words.

Mr Draper has written a gripping and authentic account. He puts the blame where it belongs—on Dyer, on O'Dwyer, the Lt. Governor of the Punjab and a great supporter of Dyer, and on Chelmsford the Viceroy who backed O'Dwyer. Unlike Rupert Furneaux whose *Massacre at Amritsar* appeared nearly 20 years ago, Mr Draper had access to almost all secret documents relating to this frightful event. For 18 months the author pursued his research in Britain and India, to expose the cover-up by the British Imperial Establishment. It is a melancholy tale of double talk and duplicity.

What amazes is that the entire Anglo-Indian community in India backed Dyer—he has saved India, they asserted. Some did ask, "Save India from whom, for whom?" but their voices were drowned in the prevalent hysteria. The *Morning Post* launched a fund for Dyer and nearly £27,000 was collected. All this Mr Draper brings out candidly and without descending to lachrymose sentimentality.

Churchill's Indian record is lamentable on the whole but not on Dyer. He roundly condemned Dyer's action, "It is an extraordinary event, a monstrous event, an event which stands out in singular and sinister isolation." Churchill regretted that Dyer had got away only with premature retirement and had faced no disciplinary action. But Churchill's intervention was not vastly popular even among his supporters.

Tragic and unpardonable though Dyer's deed was, it ensured the rapid end of the British Empire. Mahatma Gandhi from being a mild critic of the Empire became its most implacable foe, Tagore renounced his Knighthood, Jawaharlal Nehru became active in politics—his brief exposure to Dyer is well described by Mr Draper. But above all the moral damage Dyer's shooting did to the Empire was so great that all the King's men and all the King's horses could not put the Imperial humpty dumpty together again. Mr Draper rightly concludes that this was "the massacre that ended the Raj."

Another round of chips

LAST WEEK, regular readers may remember, the How To Spend It page asked four FT writers to consider just what a home computer might do for them. We asked each to report, in an entirely personal way, on their first proper encounter with a home computer. The jury split more or less three to one — producing three ardent recruits to the ranks of the converted and one, Richard Lambert, who spoke for so many of us when, with barely a backward glance, he prepared to let the white-hot technological revolution pass him by. "If I were a different sort of person, and prepared to devote several hours a week to mastering the techniques, I might perhaps come out on top. But I'm not and I won't. Leave it to the next generation."

The trouble is the next generation is already hot on our heels. The average age of those who compose programs is a frightening 14, and at the moment it looks very much as if anybody who takes a Canute-like stand may end up looking as silly as those who at the turn of the century refused to learn to drive a car or how to use that new-fangled device called a telephone.

Supposing you decide to join the next generation and want to buy a home computer, how should you set about it? What sort should you buy and what might you reasonably expect it to do for you?

I asked Julian Allason, who publishes what many experts consider to be the best computer magazine for the ordinary man "Microcomputer Printout" (subtitle "a plain man's guide to personal computing") for some suitably plain advice for all those still confused.

WHERE TO GO FOR HELP

Anybody who doesn't know what a computer looks like and wants to get some idea of what it feels like to use should go along to one of the many large specialist shops in Tottenham Court Road, London, W1 (or try large branches of Laskys and Currys throughout the country) and play with them.

Beware of sales staff who know as little as you. If in doubt ask for the manager. Another good place to try you if you're in the London area is: The National Computing Centre Microsystems Centre, 11 New Fetter Lane EC4. (tel. 01-353 0013). Contact Eric Bird) or: The North London Community Computing Centre, Polytechnic of North London, Holloway Road, N7. (tel. 01-607 2789. Contact Robin Bradbeer).

Most people, Julian Allason has found, seem to need an excuse to buy a computer and these seem to fall into four main categories — to help the owner learn about computers and computing, what might roughly be called Home Economics, as a teaching aid for children and, fourthly, for playing games.

LEARNING ABOUT COMPUTERS

Of all these reasons, far and away the best one, in Julian Allason's experience, is to learn about computers and computing. For those who aren't sure if computing is going to be for them, but want to give it a try without spending too much money, the Sinclair ZX81, at £69.95, is an excellent introduction to the subject.

The trouble is once you are hooked you are likely to want all sorts of additional features and though you can plug-in extra features, Julian Allason thinks that if this might be the case a better initial buy would be the Commodore Vic.

Sooner or later two out of three people who buy a personal computer want word processing facilities. (For just what a word processor will do for you, see Arthur Sandles' story below.) If you think you might be one of the two, look for a computer (like the Commodore Vic) which has a proper keyboard and can be upgraded into a word-processing unit. The Commodore Vic is also extremely easy to use, has very good language programs for those who want it as a learning tool. You can plug-in more memory (useful for those who think they might want to store lots of information). Plug-in cartridges are taking over from cassettes — so check if the computer has this facility (the Commodore Vic and the Atari do).

USING IT AS A TEACHING AID

This is the second most popular reason for buying a computer and most people in the business think it is one of its most useful functions, with lots more potential left for development. If you are hoping that your children (or you) will learn languages, more about maths or whatever, you are best to look first at the available software. More and more suitable software is being produced all the time but at the moment the computers with the best programs in this area are the Pet and the Commodore Vic (but it is useful to remember that the software for the Pet and Vic is compatible). If you buy a more esoteric machine you may have to write most of the programs yourself.

HELPING TO RUN YOUR HOME

Home Economics — or will the computer help run your central heating, organise your accounts and keep track of your Christmas card list? It can and it will but the fact is that very few people who own computers use them in this way — it is still easier and simpler to run your central heating with existing thermostats and time-switches, or to check on your household accounts with a piece of paper and a pencil.

Julian Allason does tell a nice little story of a friend who wrote an income tax program which he used to challenge the Inland Revenue (little David of a computer against the big Goliath). He won and saved enough money on the case to pay for the computer.

PLAYING GAMES

Most people's experience is that children quickly tire of playing computer games but these are getting more and more sophisticated and there are now quite taxing levels of some games (chess, for instance) which have much more mileage in them than the earlier ones. If you want to buy a computer primarily for its amusement value then Julian Allason is in no doubt that the best model for this purpose is the Atari 400—it has much the best graphics (in colour) and usually sells at about £345 (though you may find it discounted in certain stores). But it has a flat keyboard, cannot be upgraded into a word-processor and could not be adapted for helping to run a business.

OTHER FACTORS TO CONSIDER

If you have children who are at schools where there are computers and you're thinking of buying a computer, try and buy the same (or a compatible) model. A child who spends all weekend writing a program and can't feed it into the school computer will be very frustrated. Also computers are a little bit like cars—once familiar with a certain set of buttons and keys, it is confusing to keep chopping and changing. Fifty per cent of schools that have computers at the moment have a Pet—but in this case Julian Allason recommends that you buy a Vic (it is half the price and you can use all Pet's software on it).

It looks as if many schools may buy the BBC's own computer, the Proton, designed for it by Acorn, which has just been launched and is designed to go hand in hand with the BBC's own computer course starting in January. The Proton is a great improvement on the Acorn Atom, much easier to use, it can be upgraded into a business computer and at £235 is altogether a good buy.

In the end, however, the more work you put into finding out about computers, the happier you are likely to be with your own choice. Similarly if you finally decide to buy one, the more work you put into learning how to use it, the more you will get out of it.

If you feel computers aren't your thing but wonder what else the micro-chip could do for you you might prefer to consider a word-processor or perhaps Prestel? If so, read on.

Hugh Routledge

David Bell and Charlie receive the Prestel information service on their TV screen by way of the Teledek 2000 adaptor. Made by Zycor of Gateway House, 302/388 High Street, Slough SL1 1NB (Tel: Slough 79127) the adaptor costs £225 excluding VAT

LAST SATURDAY afternoon the children and I sat down to read *Jason and the Dragon*. We didn't have a book. The pages popped up one by one on my portable TV set at the press of a button. Then it was onto an incomprehensible electronic maze game. "You lose," the computer typed out—unnecessarily.

This was not a glimpse of family life 1984-style, but part of my pre-Christmas research into Prestel, the system which gives subscribers access to 180,000 pages (or frames) of information stored in special British Telecom computers.

In the past six weeks I have used Prestel to look up train times to Oxford (fruitlessly, because they're not yet on the system), compared the price of a Metro and Renault 5, discovered the basic facts about Guy Fawkes and taken a mystifying personality quiz.

I have also checked the performance of Bulmers' shares in the middle of a dinner party, settled an argument about what the franc was worth on holiday last year and even, for no very good reason, discovered the basic facts about Afghanistan.

It is certainly a remarkable system, and I did all this with the aid of a slim brown box borrowed from a small British electronics company in Slough called "Zycor," one of several Prestel adaptors now on the market. When plugged into a special British Telecom jack this transforms any ordinary TV into a Prestel receiver with an excellent picture.

It also has the great advantage of remote control, so pages can be chosen from an armchair. At £225 (excluding VAT) it is not cheap. But it costs much less than a full scale Prestel set and is just as good.

Yet Prestel is not quite a perfect system. The British Telecom computers which store the information may be very clever, but the indexing is clumsy and it can take a while to sort through all the information and find the right "frame."

Prestel is also fairly expensive to use (although this may be less important to businessmen). First there is the quarterly rental charge (£12 for businesses, none for private subscribers). There is the cost of the use of the phone (at local call rates which are now very high at peak time).

Then there is the separate computer access charge for using computer time (4p per minute from 8 am to 6 pm, 4p for four minutes 6 pm to 8 am). Finally there is a frame charge, the amount you pay for each item of information, which can vary from 0p to 50p. These frames are supplied by a host of information providers who rent space on BT's computers.

Yet there is no doubting Prestel's potential. It is an interactive system which means that you can have a conversation with it via a keyboard (though, as yet, keyboards are expensive and not widely available). In time you will be able to book air or theatre tickets through it, shop by it, bank through it and send messages to friends on it instead of by post. (Already, for example, tickets at the RSC's *Aldwych theatre* can be booked via Prestel using the existing remote control device).

Travel agents, for example, are already using the system for this purpose.

Equally, says Mr Ken Williams, managing director of Zycor, salesmen on the road will be able to use machines like his to send reports electronically each night down the phone to the company computer. And businessmen working at home will be able to consult their company's electronic files more or less instantaneously. Home-bound investors can already catch up with hour to hour developments via Prestel.

If you want to try Prestel at home now, it is a good idea either to rent a set or to buy (or rent) an adaptor. But one *word of warning. You will need* a special BT phone jack for Prestel (which costs £15) and we had problems because ours was wrongly wired. You also have to register the set with British Telecom which gives each set a unique code number. This can take a few days. So, if you want to buy one for Christmas, get it now.

P.S. Remember that Prestel works on your phone line. When you are "on line" to the Prestel computers your telephone cannot be used for ordinary speech. And remember also to get BT to put the Prestel *jack near where you want to* put the TV.

David Bell

Hugh Routledge

Arthur Sandles at the keyboard of the Wangwriter word processor. Further details of the machine which costs £3,995 available from Ingeborg Seel at Wang UK, 100, George Street, London, W1 (Tel: 01-486 0200).

TO SAY *that the first few* moments were intimidating would be something of an understatement. Two burly gents delivered the machinery; a third connected it all up; but it was the fourth who explained its complexities and then presented me with an instruction manual which alone was much the same thickness and weight as my good old portable typewriter. Not the best of beginnings for what was to prove an —unrequited—love affair.

Let me declare immediately that it is the object of my affections that rejected me; not vice versa. I could not keep my Wang word processor, or Wangwriter as she prefers to be known, in the manner to which she was accustomed. I had not worked her hard enough, nor sampled half her sophisticated tricks, and certainly not raised the nearly $8,000 capital outlay required for her purchase. I suppose I was not good enough for her.

In less romantic and personalised terms my Wangwriter was presented with what I assume to be a typical journalistic household. We both write, a 15-year-old daughter has homework, lists and letters, and a middle aged ginger cat shows utter contempt for any such literary activity.

All these the Wangwriter managed to handle with ease.

For all of us the joy of the machine was the ease of its use. There is no question but that it is vastly faster and more efficient than a normal typewriter even if you are using it in its most simple form. For anyone who likes to go over material several times, correcting, editing, moving paragraphs, words or simply punctuation, it is a joy.

As one of my tasks for last week, I had to compile the membership list of an organisation. As each name and address arrived I was able to tap it into the Wang's memory and only co-ordinate the lot and print it out once the required number was received. Into those same memory senses went the beginnings, and occasionally an end, of several feature articles, some letters, long lists of ideas for future projects, and more thoughts on the Great Novel.

My daughter had never touched a typewriter before in her life. Within minutes she had taken to using the machine —albeit with one finger—and later grinned with amusement at the reaction of an English teacher who had received her first ever perfectly printed essay from a fifth former.

Although there are some things that a word processor is not—a duplicator for example, since it prints each folio one by one—there are many things that a normal typewriter cannot match. A normal length book, for example, could be contained on a couple of its magnetic disks. Any part of that book could then be called up for correction without the need for that traditional author's scramble through paper and notebooks.

In my relatively brief flirtation with this amazing machine, however, I had no time to test such practicalities as the cost (I used two ribbons in 10 days, my portable typewriter uses one every couple of months) or how reliable the thing is.

Before such earthy thoughts intruded upon my happy relationship the bulky gents from Wang had come to remove the object of my affection. I have retained the magnetic disks, however, so the memory lingers on.

Arthur Sandles

ARTS

Alceste

BY MAX LOPPERT

In short, this is one of the shining acts of restitution of the postwar Covent Garden era. Gluck, one of the key creators in the history of opera, not just Historically Important but (when justly served by his interpreters) a music dramatist of overwhelming power, has not figured very prominently in the Royal Opera schedule (*Iphigénie en Tauride* and *Orfeo*, each given three seasons only, comprise the full account). Now, in choosing to revive the grandest of his works—the 1776 Paris version of *Alceste*, an almost complete reworking of the Italian opera given at Vienna nine years earlier—the company acts not just worthily but heroically.

The risks were high: while no opera takes further a single line of classical sublimity, *Alceste* is in either of its authentic forms, Viennese or Parisian, a magnificent artistic conception imperfectly realised (the imperfections being of different kind in both scores). With Charles Mackerras to conduct, and Janet Baker to scale the mighty peak of the title role, risks are faced and surmounted, and the rewards are of the very highest. Despite passing difficulties in Thursday's premiere, one came out of the theatre reconciled to the imperfections of the opera, imbued with the magnificence.

From the first, in Vienna as subsequently in Paris, the virtually unrelieved gloom of an opera founded entirely upon a wife's noble resolve to die for her husband met with concerted opposition. In deciding to remove Euripides' semi-comic figure of Hercules from their scheme, Gluck and his Italian librettist Calzabigi achieved a drama, in Newman's phrase, "pre-eminently . . . of one idea; the burden of the play is sorrow and lamentation, which simply shifts from Admetus at the beginning . . . to Alcestis in the subsequent acts." Later, in making their French opera, Gluck and a new collaborator, Le Blanc du Roullet, attempted to face and solve a problem of dramatic impetus that becomes acute by the third act (their correspondence trains repeatedly, on the subject); yet the final insertion of Hercules into Act 3 was forced upon them at a late stage, after the opera's early lack of popular success, and the sudden, wholly motivated first appearance of the demigod late in the evening can hardly be reckoned a successful recourse.

But if the dramatic movement of the opera is felt to be static and the resolution unsatisfactory, the emotional effect of the whole is all the same profund—so, at least, one felt after Thursday's performance, which with decisive authority tapped its strengths directly from the two aspects of the opera most profoundly investigated by the composer: the chaste majesty of its tableaux, a solemn D minor gravitas to be developed still further, by Mozart's ampler genius, in *Idomeneo*; and the wonderfully full, rich and detailed placement of the title role. It would not be proper to praise Dame Janet as sole architect of the Royal Opera achievement; for as the weight of any *Alceste* performance rests equally on soprano and conductor, so must the triumph here be shared.

But it becomes a peculiarly poignant task to measure the magnitude of this Alcestis. Poignant even to contemplate it: for this first encounter with the role, in a production planned to mark the singer's farewell to Covent Garden, will also be the last one. That a great singing actress should have determined on making it, in every sense, a rare experience is somehow deeply appropriate; to see and hear Gluck interpreted by a performer equipped for him in sensibility and in soul, must always be in the nature of things a beneficence seldom offered.

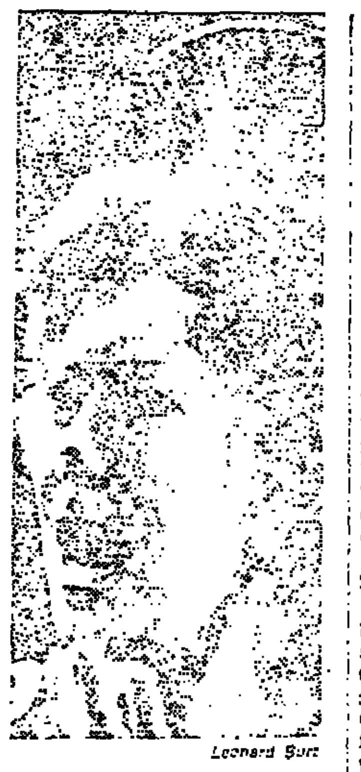
The achievement is all the more remarkable for being (as Berlioz wrote of another great mezzo-soprano, Pauline Viardot, after her 1861 Alcestis) the most difficult for the singer to obtain. This is one of the most demanding roles in the dramatic soprano repertory. It lies cruelly high, not so much in the matter of isolated notes as of tessitura, and it is cruelly long. The first act, Gluck's single most sustained feat of creation, should ideally be brought to a culminating burst of heroic brilliance, a ring of airs except "Divinités du Styx." For Dame Janet, all the airs except "Divintiées du Styx" have been transposed down a tone (not as low as Viardot needed them to be); some of these transpositions are damaging (the final scene of Act 2 begins in F minor suddenly to be jerked into E flat), and even then the wide compass of the music taxes the singer's resources, though always with the result of heightening dramatic intensity. When the opera is next revived, if Dame Janet cannot be persuaded to break her renunciatory vow, the opera must be reassigned to a soprano.

By comparison with the heroine the other roles remain shadowy figures. Admetus, however, need not be quite so shadowy as Robert Tear (remembered from the 1974 Scottish Opera *Alceste*) was forced to leave him. Mr Tear, riddled with cold, struggled through Act 2, then mimed Act 3 while David Hillman sang from the pit. Few people attending the opera for the first time could guess, from the tenor's brave but increasingly faint sketching, how beautiful "Bannis la crainte" can be, how compelling the long dialogue; the burden on Dame Janet became commensurately heavier. The High Priest is John Shirley-Quirk, too soft-grained of voice, characteristically intelligent in his use of it. Maldwyn Davies and Philip Gelling (very handsome in Apollo's final descent) figure among the more acceptable of the minor players. The happy surprise is Hercules, made more of by Jonathan Summers, springing robustly about the stage in shaggy mane and animal skin, than one had any right to expect: the streak of rough good humour was by not means out of place.

Mackerras is surely the leading Gluck conductor of our day. His Covent Garden *Orfeo* and Radio 3 *Armide* were notable, if too long distant, milestones on the way to this performance. The reading was convinced in every detail, scrupulously considered and cared for in every orchestral and dynamic marking, as full of controlled fire as his leading singer and instinctively at one with her in the command of a long, slowly unfolded line. The orchestral playing had the fatless, full-bodied quality, the heightened dramatic intent, without which Gluck's nobly bare inventions can sound so dull and unforthcoming; there is a complete ballet in Act 2, and three numbers from the final divertissement, and the music pays its way in every bar. Cuts are minimal (Alcestis' first air is spatchcocked to her second recitative): one missed only the first-part repeat of "Ah!-Divinités implacables" in Act 3—as this was Dame Janet's and Sir Charles's combined peak of tenderly simple expressive statement, one grudged the loss.

I have delayed mention of the production, by John Copley in designs by Roger Butlin (sets) and Michael Stennett (costumes), because its most valuable feature is the creation of a comfortable, unhampering frame around the central performance. The first-act white marble facade plus frieze, solidly made and carefully lit, looks rather like a superior Italian railway station entrance of the '30s, it adapts usefully to the palace scene (ugly caryatids), less well to the underworld entrance. Costumes, cream and Alcestis's black, burst into bright contrasts of colour for the closing dances. Mr Copley's expertly masterminded spectacle operates, I feel, from the surface of the music rather than being inspired by its central core. His processions are elegantly manufactured bits of filling-in; the movement of his gauzes and screens does not always mirror musical pattern; and—a point that most seriously needs rethinking — he banishes the chorus backstage for the second part of Act 2, laming in the process the impact of Alcestis's *scena* with choral intrusions.

One is grateful that a work of such manifold difficulties in the actual realisation unfolds as smoothly as it does here, whatever may be missed in terms of intellectual penetration; by the side of the Royal Opera *Idomeneo* this production seems a model of style. Admirable likewise that the backward-looking element of decorative dance should not have been shirked in the opera's finale: it is sensitively placed in Ronald Hynd's choreography and beautifully executed by Rashna Homji and Stephen Jefferies at the head of the dancers. Mr Hynd's thoughts for the Act 2 sequence are less happy—a *ballet d'action* on the the theme of Admetus's illness and recovery proves a gratuitous dramatic repetition, one that sorts very ill with the actual musical substance.



Leonard Burt

Dame Janet Baker

We, the people

BY B. A. YOUNG

Radio 4's current Sunday-night series *You the Jury* is a welcome successor to the earlier, short-lived *Fighting Talk*. This week, Jack Straw MP proposed, and Eldon Griffiths MP opposed, the motion that "Local police committees should have more control over policing policy in their areas." Each side calls two witnesses, then each principal sums up and a vote is taken from the studio audience; but to add a touch of suspense, a vote is also taken before the debate, so we can tell what effect the speeches have had.

The first vote was 38 for and 38 against, with 24 abstainers. Mr Straw called a retired detective and a member of a Yorkshire police committee, Mr Griffiths called a policeman and a Chief Constable—indeed, the Chief Constable responsible for law and order in the Toxteth area. The final vote swung to 65 for the police and 35 for the councillors.

It was good to hear such confidence in the cops, especially after listening to the first instalment of Chris Boucher's *A Walk in the Dark*, in which a detective-constable at once invites his star girl witness to supper and a detective-sergeant says things like "I got the attacked, or was that a figment of my diseased imagination?"

I bracket *You the Jury* with *Fighting Talk* because both illustrate a current radio characteristic. I complained once that Radio 4 never dealt with matters of current importance. In the light of experience, I withdraw this criticism to some extent. But when they treat a burning issue, they like to leave it in the hands of the good old General Public to propose decisions. This is part of this age's democratic preference for amateurs over professionals: hence phone-in programmes, hence audience-participation in the theatre. At least the proposer and the seconder and the four expert witnesses in *You the Jury* were pros, but it would have been even nicer to hear a word from Lord Scarman or Mr Whitelaw. We would on television, I feel sure.

I didn't mean to return to *Medium and Message* this week, but it took on quite a new shape this Wednesday, a programme about Marshall McLuhan, the onlie begeter of the series title. And very interesting it was, even if Russell Davies, the presenter, did try to scare us away with an introductory burst of ecclesiastical-sounding organ music and an opening spoken by, or rather electronically retrieved from, a computer (which had a voice halfway between Pakistani and South African).

The character that emerged was not the philosophical superman we were encouraged to believe him in the '60s. He was a Chestertonian Distributist, according to Fr Walter Ong; a conservative thinker obsessed by the Catholic faith, according to John Wain; a poor writer who couldn't develop his ideas, according to Professor Northrop Frye; a monomaniac anxious to include everything in the world in his theory, according to Tom Wolfe. (Tom Wolfe lunched with him in a topless restaurant in San Francisco. "This is very interesting," McLuhan said. "They're wearing us. We are their clothes.") In debate with Wystan Auden, he showed himself the wittier man. Plenty of experts here all right.

Perhaps Auden was off form; a fortnight ago in *The Double Man*, assembled by Ed Thomason and spoken by Mark Wing-Davey on Radio 3, he came out pretty well. But he was younger then.

I meant to listen to *The Battle of Maldon* by Menzies McKillop on Monday, I really did, but the crooning of Diana Olsson as Aelfflaed (sic: the play "draws directly from the Anglo-Saxon," says Radio Times) virtually switched my set off by itself. Earlier that evening came the beginning of Olivia Manning's *The Levant Trilogy* on Radio 4, very strongly cast; but that must wait until I've heard the rest of it.

Birtwistle in Huddersfield

BY ANDREW CLEMENTS

Under the unflagging directorship of Richard Steinitz, the Huddersfield Contemporary Music Festival has reached its fourth year with its energy and ambition undimmed. To the facilities on the Polytechnic campus is added for the first time St Paul's Hall: a church deconsecrated, gutted and handsomely provided with an organ and raked seating. It makes a pleasant, welcoming auditorium, more ample than the Polytechnic's recital hall, less gargantuan than the Town Hall itself. On first acquaintance one's only reservations were acoustical: a tendency to emphasise mid-range frequencies and to deprive top and bottom of bite and presence.

Straddled across last weekend, the festival programme this year could have been tightened, its twin strands more closely intertwined. There was a healthy representation of Hungarian music, especially by Attila Bozay and Sandor Balassa both of whom were "in residence," but performances were scattered through the week, and the weekend itself belonged to Harrison Birtwistle. The festival had managed to secure the first performance of two substantial pieces, and the composer himself was prised away from the National Theatre's preparations for *The Oresteia* to take part in a lunchtime forum that characteristically elicited some fascinating nuggets and cryptic observations not to be followed up easily in such surroundings.

Birtwistle has always been a composer keen to let his music do his talking for him: the thought processes are too abstract, the compositional procedures too personal to be easily rendered into words. In the first of the new pieces at least the problem of communication could never be entertained. *Pulse Sampler*, for oboe and claves, was the last work in a short late-evening recital given by Melinda Maxwell that began with Berio's oboe *Sequenza* a rich, immediate account, and also included Miss Maxwell's own *Pibroch Theme and Variations* that impressed for its elegance and lack of pretence.

The title of Birtwistle's study can be read in two complementary ways—in an allusion to the embroidery sampler, in which stitch patterns are held together by connecting threads, and also in the sense of rhythms being "sampled." A claves player is given a "pulse mobile" of four rhythmic patterns from which he builds a continuous line of frequently changing tempi; on it the oboe constructs a virtuoso display, taking its tempi from the claves, but continually finding itself out of step because the claves' tempo invariably changes almost as soon as the pulse has been "sampled." The result is a fascinating interplay of rhythms and shapes, given tautness by the ever-present mismatch of oboe and claves, and building, as so often with Birtwistle, from a single sustained pitch into a spiky efflorescence that generates a considerable amount of heat. No other contemporary composer understands the potentials of rhythm so profoundly as Birtwistle, and no one exploits them more effectively. Miss Maxwell and her partner John Harrod should be encouraged to bring the work to London as soon as possible.

Yet the explicit generative processes of *Pulse Sampler* seemed a million miles away from Birtwistle's Clarinet Quintet, written for Alan Hacker, who gave the first performance with his group The Music Party in St. Paul's Hall. The quintet is the conventional combination of instruments, and for it Birtwistle has written a single-movement work that lasts around 20 minutes. But anyone expecting one of the composer's essays in growth and accretion, after the model of the earlier *Melencolia I* for clarinet and orchestra, would have been very swiftly disabused and perplexed. The clarinet quintet does not, on first hearing anyway, draw its listeners into any evolutionary development, into music that transforms and replicates. It presents seemingly finished sound objects at the start, and proceeds to modify and reorder them, dividing the functions of exposition and development far more clearly than usual.

There are some telling effects, passages that totally obliterate any preconceptions of what a clarinet quintet should sound like. The clarinet line is frequently cocooned in string harmonics, the clarinet and first violin weave independent lyrical melodies, complex groups of grace notes are exchanged and overlayed. It is a score that sings, but offers its austere songs in distant, costive versions. How much this remoteness was the result of the hall and the sometimes imprecise performance was hard to tell. How much it was the result of expectations contradicted—and no one should expect great composers to confirm our prejudices—only repeated performances (and future works) will reveal.

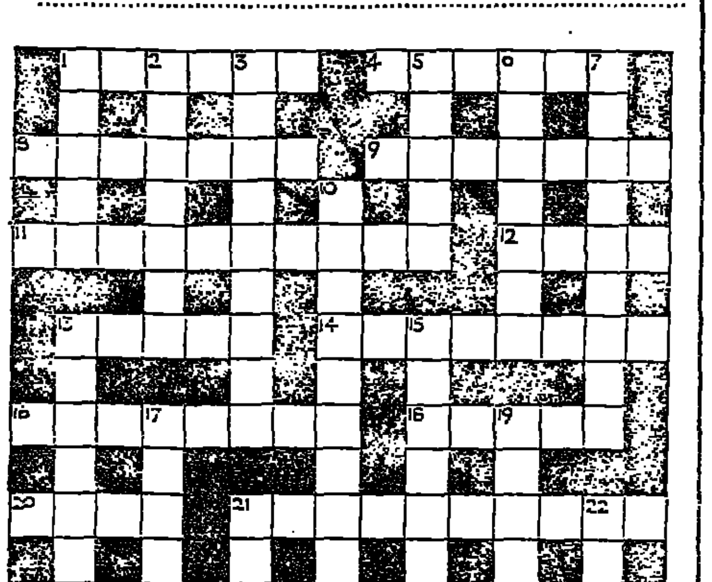
F.T. CROSSWORD PUZZLE No. 4,736

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



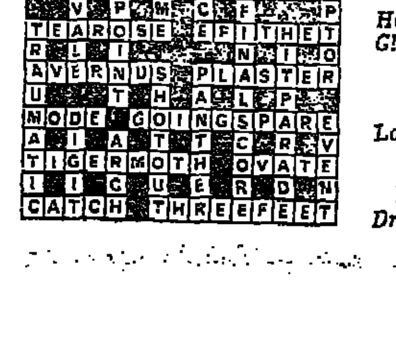
ACROSS

1 5-4 champion is lively in play (6)
4 Pawn on board causes surprise (6)
8 25 and 15 as presented by T. S. Eliot characters? (7)
9 Snout's part with nothing on can be found in Belgium (7)
11 Rivals' woman on stage initially—altogether inapt (10)
12 In languid lethargy, doing nothing (4)
13 Music of the masters? (5)
14 Hired rooms for gold-miners (8)
16 Open session with abject fellow—he has a bad hand (8)
18 Group of players having rare difficulty at Wimbledon (5)
20 A duck-egg blue (4)
21 Rough briny I call having sparkling quality (10)
23 Dressed like a monk on the Sabbath, glowered (7)
24 Time's up, possibly, for incentive (7)
25 First addressees, commonly (6)
26 It is superior to a walking-on part (6)

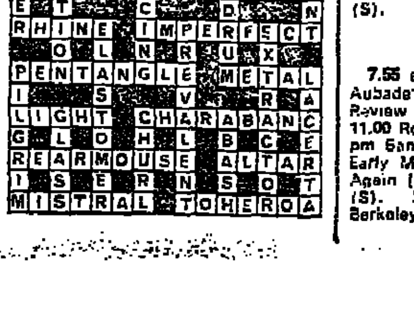
DOWN

1 Bowed lady? (5)
2 Beer cut short after 6.50 in Hamlet (7)
3 A law-truce broken brings Tom's outcry (9)
5 Obverse principals (5)
6 Sculptor who had hole in one? (7)
7 Place of entertainment — graceful — focus of attention (9)
10 Disguiser of beauty? Pride is me undoing! (9)
13 A sort of college, practically? (9)
15 Amiable chaps in cloaks (9)
17 Licensed to have everything overdue (7)
19 A Sterne novel, as narrow as can be (7)
21 Former long note, or letter from the Pope (5)
22 Top of camel—what's there? Blockhead! (5)

Solution to Puzzle No. 4,735



Solution and Winners of Puzzle No. 4,730



Mrs B. Attrell, The White House, Anchor Lane, Epney, Gloucester.

Mr R. N. Salvesen, Capel Lodge, Beare Green, Surrey.

Mrs A. Murray, 11, Empress Drive, Chislehurst, Kent.

TV/Radio

† Indicates programme in black and white

BBC 1

9.05 am The World of Rugby. 9.30 Swap Shop with Noel Edmonds. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.20); Racing from Newbury (12.50, 1.20, 1.55); Boxing (1.10) Highlights of the Levene/Duff promotion; Ski-ing/Racing Preview (1.40); Swimming (2.15, 3.10); Snooker (2.30, 3.30) Coral United Kingdom Professional Championship; Table Tennis (2.50, 3.30) Lambert and Butler Championship; 3.45 Half-time football scores; Rugby League (3.55) The John Player Trophy; 4.35 Final Score.
5.10 Kung Fu.
6.00 News.
6.10 Sport/Regional News.
6.15 Larry Grayson's Generation Game.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 Flamingo Road.
9.30 News and Sport.
9.45 Michael Parkinson and his weekend guests.
10.40 Match of the Day.
11.40 Snooker: Coral United Kingdom Professional Championship.

BBC 1 VARIATIONS: Cymru/Wales—8.50-9.30 am Crackerjack. 6.10-6.15 pm Sports News Wales. Scotland—4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 10.40-11.40 Sportscene from Scotland. 12.40 am News and Weather for Scotland. Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News. 12.40 am News and Weather for Northern Ireland. England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

10.10-11.50 am Open University.
†2.45 pm Saturday Cinema: "South Sea Woman," starring Burt Lancaster and Virginia Mayo.
4.20 Play Away.
4.45 "War And Peace" (Russian version directed by Sergei Bondarchuk, with English subtitles) (part 3).
6.05 True to Nature.
6.45 World Chess Championship (round-up).
7.10 News Summary.
8.00 The Shogun Inheritance.
8.40 After Scarman—Policing the Front Line, presented by Ludovic Kennedy, providing the first television version of the key evidence that led Lord Scarman to his conclusions, followed by a discussion. Lord Scarman will take part in an extended interview.
10.00 Playhouse Special.
11.15 News on 2.
†11.20 Midnight Movie: "Whatever Happened To Baby Jane?" starring Bette Davis and Joan Crawford.

LONDON

8.35 am Sesame Street. 9.35 Thunderbirds. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball with Ian St John; 12.45 Rallying—Lombard RAC Rally; 1.15 News; 1.20 The ITV Six from Wolverhampton and Market Rasen; 3.00 Gymnastics—World Championships from Moscow; 3.45 Half-time Soccer news, reports; 4.00 Gymnastics from Moscow; 4.50 Results.
5.05 Worzel Gummidge.
5.35 News.
5.40 The Pyramid Game.
6.10 Game For a Laugh.
7.00 Punchlines.
7.35 "Grizzly," starring Christopher George.
9.15 News.
9.35 Knife Edge.
10.35 Johnny Carson's Tonight Show.
11.15 Clive James and the Calendar Girls.
12.15 am Paris By Night.
12.45 Close: Personal Choice with John Julius Norwich.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 10.00 Clapperboard. 11.15 Vegas.

ATV

9.10 am Clapperboard. 9.40 Chip. 10.35 pm Portrait of a Legend: James Darren talks to singer Pat Boone. 11.05 Vegas.

BORDER

9.10 am Paint Along With Nancy. 9.35 Stingray. 10.00 Clapperboard. 10.35 pm Baretta.

CHANNEL

10.35 pm Ladies Man. 11.05 TV Movie: "Savages."

GRAMPIAN

9.10 am Joe 90. 9.35 Stingray. 11.15 pm Reflections. 11.20 Hammer House of Horror (the Thirteenth Re-union).

GRANADA

9.35 am Joe 90. 10.00 Clapperboard. 10.30 pm The Star and the Story. 11.00 "Deadfall" starring Michael Caine and Nanette Newman.

HTV

9.10 am Talk on Bikes. 9.35 Fangface. 10.00 Clapperboard. 12.14 pm HTV News. 5.39 HTV News. 10.35 The Palace Presents Jack Jones introduces Diahann Carroll and Charles Aznavour. 11.35 Lou Grant.

As HTV West except: 5.05-5.35 pm Res Sgwar.

SCOTTISH

9.10 am Thunderbirds. 10.00 Clapperboard. 10.35 pm Astronauts. 11.05 That's Hollywood. 11.35 Late Call. 11.40 The Streets of San Francisco.

SOUTHERN

9.00 am Clapperboard. 9.30 Thunderbirds. 10.27 Regional Weather Forecast. 7.35 pm "Catch Me a Spy" starring Kirk Douglas. 10.35 Southern News. 10.40 Star Parade. 11.40 Pans.

TYNE TEES

9.00 am Cartoon Time. 9.10 Moby Dick. 9.40 Thunderbirds. 12.13 pm North East News. 5.40 North East News. 10.35 The Monte Carlo Show. 11.35 Vegas. 12.35 am Three's Company.

ULSTER

10.00 am Clapperboard. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.39 Ulster News. 9.34 Ulster Weather. 10.30 George and Mildred. 11.00 Police Surgeon. 11.30 Bedtime.

WESTWARD

9.25 am Look And See. 9.30 Stingray. 9.55 Gus Honeybun's Birthdays. 10.00 Clapperboard. 12.12 pm Westward News. 5.41 Westward News. 10.30 Ladies Man. 11.00 TV Movie: "Savages" starring Andy Griffith. 12.15 am Faith For Life. 12.20 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am *Mumbly*. 9.10 Little House On The Prairie. 10.00 Clapperboard. 10.35 pm Hill Street Blues. 11.35 Hammer House of Horror "Growing Pains."

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 12.00 My Top 12. 1.00 pm Adrian Juste (S). 2.00 A King In New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert featuring Gary Glitter (S).

RADIO 2

5.02 am Sports Desk. 5.03 Tony Brandon with the Saturday Early Show (S). 6.03 Sports Desk. 7.30 David Jacobs (S). 8.02 Racing Bulletin. 9.30 Pete Murray's Open House (S). 11.02 Sports Desk. 11.03 The Kenny Everett Show (S). 12.02 pm Sports Desk. 1.00 The News Huddlines with Roy Hudd. 1.30 Sport On 2: Rugby Union: Australia v Swansea, plus report on the Thorn EMI County Championship semi-finals; Football: second-half commentary on the top game of the day and news of all the others; Racing: from Newbury at 2.05 and 2.35; Cricket: India v England—report on the second day's play in Bombay; 5.00 Classified Football Results; 5.45 Classified Racing Results; 5.50 Classified Football Check. 6.00 Country Style. 7.00 Jazz Score. 7.30 Big Band Special with the Radio Big Band (S). 8.00 Saturday Night Is Gala Night (S). 10.00 Nordring 81 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You And The Night And The Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Bandstand (S). 1.00 News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Berkeley, Maconchy and Mozart chamber music recital (S). 7.30 "Pelleas and Melisande" lyric drama in five acts by Debussy. The new English National Opera production, from the London Coliseum Acts 1-3 (S). 9.05 Horace Walpole and Thomas Gray. 9.30 "Pelleas and Melisande" Acts 4 and 5 (S). 10.50 Apocryphal Stories by Karel Capek. 11.00 News. 11.05-11.15 Howells (S).

Medium Wave as VHF except: 7.05-11.15 am Cricket: First Test, India v England—commentary from Bombay on the second day's play. 11.15 am Join VHF (Robert Mayer concert).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre (S). 3.00 Medicine Now. 3.30 Profile. 3.50 Inquire Within (S). 4.00 Where Did It Go Wrong? 4.30 Does He Take Sugar? 5.00 People and Places. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Elisabeth Soderstrom (S). 11.00 Lighten Our Darkness. 11.15 The Burkiss Way (S). 11.45 Places I've Lived, People I've Known. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Westminster at Work. 9.02 On the Rates. 9.30 Openings. 10.02 All That Jazz (Music by Art Blakey and Duke Ellington). 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00 Folk '81. 7.30-5.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports. 1.00 pm Sportswatch with Dominic Allan. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 LBC Special with Laurence Spicer. 9.00 LBC Special. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-Cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 399

1 P-N8=Q? only draws because of Q-B8 ch! 2 K-R2, Q-B5 ch! with stalemate or perpetual check. Blackburne saw the trap, feigned hesitation to amuse the audience, but played 1 BxN ch! relieving the stalemate and forcing Black's resignation.

Solution to Problem No. 399

1 K-Q7! (threat 2 Q-K1 ch, K-R7; 3 B-N8 ch, K-R6; 4 Q-N3 mate). B-K7 (to meet 2 Q-K1 ch by B-B8): 2 K-K6 and if 2 . . . B any; 3 K-B5 and 4 KxP (N5) or if 2 . . . P-N3; 3 K-B6 and 4 KxP (N5) in both cases with the decisive extra threat of 5 Q-R4 mate.

ARTS/COLLECTING

Michael Coveney previews the National Theatre's Oresteia

Keeping it in the family

AMA IS the most social terary forms. It exists fully by virtue of public per- iance. Therein lies its *nation* and its servitude. means that one cannot rate the condition of drama that of the audience or, larger yet strict sense, that the social and political munity."

ius wrote George Steiner *The Death of Tragedy*. ay, the National Theatre eils its long-awaited *Oresteia* Aeschylus, first performed 58 BC for an audience of ised free citizens familiar the myths of the House of us through Homer and a ring oral folk tradition. The ern theatre has continu- y attempted to wrestle with plays of Aeschylus, Euri- s and Sophocles, often sing the task to be hopeless. et the fascination persists. chylus, after all, is the first wn dramatist. The Greek hitheatre is the model for y contemporary theatres, least the National's Olivier. he Oresteian trilogy and its pelling tale of blood lust, ibution, vengeance and trial democratic jury can still k, then the chances of it king in the Olivier seem to good. Sir Peter Hall has tured the scheme for nearly years. Using a new trans- on by the poet Tony rison, the project sounds itingly or ominously pending on your point of w) "timeless": 16 male ors sharing all roles, and t of the Chorus, in tragedy ts and masks.

The three plays are *Agamem- , The Choephori* and *The Eumenides*. A modern audience needs to be reminded of the background before the action starts. The sons of Pelops, Atreus and Thyestes, *inflicted* great crimes on each other, the first by sleeping with his sister-in-law, the second by serving up Atreus's own children to their *father in a crusty pie. As a* result, a curse descended on the House of Atreus, whose son, Agamemnon, has married Clytemnestra. While Agamemnon *spends 10 years at the Trojan* Wars, Clytemnestra has been seduced by Thyestes' son, Aegisthus.

It is a strange phenomenon audiences know what to expect. the power of a strong, familiar story remains undiminished. Just to complicate matters further, Agamemnon, in one of the great entrances of all time, returns from the wars with a mistress in tow, the mad prophetess Cassandra. They kill Clytemnestra and Aegisthus. In the second play, Orestes is reunited with his sister, Electra, and kills his mother, Clytemnestra, and her lover. He is im*mediately surrounded by the* Furies who, in the third play, accompany him to the temples of Apollo and Pallas Athene to protest his innocence as a righteous avenger. The case goes before the highest court of Athens, the Aereopagus, and, after a secret ballot that results in a split verdict, Athene exercises her casting vote in favour of Orestes. The Furies are placated and are transformed from loathsome harpies into benign agents of good will, the Eumenides.

The trilogy was presented last year by Peter Stein's crack Berlin company at the Festival d'Automne in Paris, where it played for a duration of nine hours (the National's will run *a mere five). The feminist issues* were given their head in a distorted finale, but the overwhelming achievement was the full-blooded representation of the *story in human terms. When* Orestes approached Clytemnestra with his sword, she balanced it carefully on her naked left nipple for the great *speech about maternal privi*leges. The Chorus was a brilliantly choreographed group of dusty elders from the performance art world of Tadeusz Kantor; *the libation-bearers* (the Coephori) of the second play a full-throated, ululating band of alarming feminists unafraid to let rip with the text's *emotional content*.

The National's approach will no doubt be somewhat different. At least we are to be spared the *awful public school tradition of* powdered wigs, togas, open toed sandals and cardboard Doric columns that bedevil even some professional productions. I *remember an Abbey Theatre Oedipus* that looked like a travel brochure for fancy-dress night round the Acropolis and offered a Jocasta something like Ethel Merman in a bad revue sketch. Five years ago, an *Orestes* at Coventry was done with kung-fu gestures. Noh theatre masks and an Apollo who strode on like the Man in the Iron Mask in a welter of strobe lighting.

Modern experimental trends have led to a La Mama version of *The Trojan Women* gabbled in an incomprehensible gutteral argot and an admittedly exciting

Agamemnon (directed by Steven Berkoff) where the crimson welcome mat was ostentatiously *transformed, amid the onstage* murders, into a tactile symbol of a brimming blood bath.

The Stein method yielded a *wonderful version of Alcestis* in Dusseldorf where the heroine, at the moment of her sacrifice, danced naked with Death before being hoisted *brutally aloft by the crotch* and removed from the theatre through the auditorium.

The National Theatre is *obviously aiming for something* purer and more essential. When the RSC mounted their basically Euripidean spectacular, *The Greeks*, early in 1980, *the ambition was merely narra*tive, although several plays, notably *Orestes*, came across with stunning contemporary force in a world conditioned to terrorism, and the predominant tone was one of Euripidean satire. It remains to be seen whether our fragmented, grumbling, dissatisfied society will respond to the mythical and popular expression of tragic art at a time when people agreed about values and ordered *their experience along received* notions of gods, generals, mothers, the law and the inevitability of fate.

Bloomsburyana

BY JUNE FIELD

"He was more like some changeling uncle, or one of those relations in a Russian novel who mysteriously come and go, and whose existence though taken for granted is never explained."

This was the reaction of painter Angelica Garnett when, at the age of 17, her mother, Vanessa Bell, "in the hushed accents of anxiety and love," told her that her father was not Clive Bell, but Duncan Grant.

Mrs Garnett (in 1942 she married David Garnett, third member of the unorthodox artistic *menage* who in 1916 went to live at Charleston, an 18th century farmhouse in Sussex), explains more in the *introduction to the exhibition* catalogue of *Duncan Grant (1885-1978) Works on Paper* which opened on Tuesday at Anthony D'Offay: "I had the *sensation of some invisible* but essential object clicking into place—a gap hitherto dimly felt had now been rightly and magically filled."

The works on show, in ball-point, pastel and gouache, watercolour, charcoal or oil, are proof of the inventive draughts*manship of* Duncan Grant, who studied at the Westminster School of Art, and Blanche's *Atelier La Palette*. They reveal much of the flavour as well as the domestic trivia of life at the farmhouse which over the years was also a retreat for those other talented disciples of the 1920s and thirties, The Bloomsbury Group. There is Vanessa doing her hair, her son Quentin Bell as a boy (now distinguished in his own right as the bio*grapher of his mother's sister* Virginia Woolf, and more recently responsible for a new range of pottery), a fireside table, and flowers in an Italian jug which appears in many *still* lifes and is still at Charleston.

The exhibition complements *Omega and after: Bloomsbury And The Decorative Arts*, published this week by Thames and Hudson; this is an extremely charming book by Isabella Anscombe with photographs by Howard Grey, *a must for all* Bloomsbury devotees, which puts over in a simple, concise style both the design work and the relationship between the artists. The Omega workshops were started in London by art critic Roger Fry, their aim to produce painted furniture, fabrics, rugs, pottery and other items in the spirit of the Post-Impressionists. Despite the combined talents of not *only Vanessa and Duncan*, but those of Mark Gertler, McKnight Kauffer, Wyndham Lewis and others, it was not a commercial success and closed *in 1919*.

Virginia Woolf summed up the ending in her biography of Roger Fry. "So the Omega workshops closed down. The shades *of the Post-Impressionists have* gone to join the other shades; no trace of them now to be seen in Fitzroy Square . . . But some of the things he made still re*main—a painted table; a witty* chair; a dinner service; a bowl or two of that turquoise blue that the man from the British Museum so much admired."

There is no doubt that Vanessa and Duncan lived longer than their reputations—*she died at 81 in 1961*, he in 1978 at the age of 93. But as Miss Anscombe says, Charleston betrays no *hint* of regret or failure, only the sense that fully occupied and dedicated lives have been lived there. "The decorations, textiles, pottery, carpets and paintings which fill the rooms are a legacy of fifty years of hard work and enjoy*ment*."

Quentin Bell has called the indefinable atmosphere "the decorative chaos that is engendered by a house full of painters, the mess and general confusion which accumulate when children run loose . . . " When I went to Charleston last *summer, much of the chaos was* still there, delightfully overflowing every room, just as if the occupants had stepped out for an hour or two. I sat in an old wicker chair in the walled garden down from the house, crumbling now, which in 1926 received a new wing which provided a bedroom for Vanessa and big studio for her and Duncan. In the studio Angelica showed me her own paintings, because of course she is an artist *too*.

It is the garden at Charleston which comes to life in the just-published *Venessa Bell's Family Album*, compiled by Quentin Bell and Angelica Garnett (Jill Norman and Hobhouse, £9.95). A photographic record of what they called "Bloomsbury in slippers," it is full of informal evocative snapshots of the family growing up, a scrap of social history of those who were Bloomsbury. "Never a precise term; it was a somewhat inchoate thing and the incidents of the lives of those who composed it were guessed at, then gossiped over without being distinctly known . . . Even this tiny crumb of evidence may dispel some misconceptions," observes Professor Bell somewhat wistfully.

Another exhibition which has echoes of Bloomsbury is *Henry Lamb, MC RA (1883-1960)*, which opened at the New Grafton Gallery in London's Old Bond Street on Thursday until December 18. Lamb is best known for his portrait of Lytton Strachey (the most celebrated member of the group with Maynard Keynes), at the Tate Gallery, and was part of a triangular relationship with Strachey and Lady Ottoline *Morrell, Michael Holroyd in Lytton Strachey* writing: "Briefly stated both Ottoline and Lytton had fallen uncompetitively in love with Henry Lamb." In the New Grafton Gallery show are portarits of Phillip Morrell, Lady Ottoline's husband and Saxon Sydney Turner (1880-1962) a central figure *in* Bloomsbury in his early years.

The catalogue *Duncan Grant Works on Paper* in aid of the Charleston Trust is £1 post free from *Caroline* Cuthbert, Anthony D'Offay, 9 and 23 Dering Street, New Bond Street, London, W1: Isabella Anscombe's *Omega and After*, is £10.50 plus £1.75 postage from Deborah Gage, The Charleston Trust, 26 Sheffield Terrace, London, W8, who will also send details (for stamped addressed envelope), of the activities of the Trust who are now restoring Charleston: Work has begun on the roof, a major task, the con*tents are in storage, and the* wallpapers have been carefully removed in readiness for restoration.

To join the Friends of Charleston, send £5 for a year's subscription to Miss Gage, who tells me that the response has been overwhelming, not only in this country, but from Australia, New Zealand, Saudi Arabia, Sweden, Canada, Italy, Holland, France, and of course America, from where she has just re*turned after attending a sym*posium on Bloomsbury and Charleston at the Metropolitan Museum of Art. "By joining, Friends will be kept in touch wtih progress at the house, and we hope to arrange special openings during renovation with the restorers on hand to illustrate the work in progress."

Duncan Grant's studio at Charleston, featured in Omega and After: Bloomsbury And The Decorative Arts by Isabella Anscombe, photographs by Howard Grey, published this week by Thames and Hudson, £10.50, is complemented by the exhibition Duncan Grant Works on Paper at Anthony D'Offay until early January

New golden age

COINS

JAMES MACKAY

SPITE THE assassination of esident Sadat and the ghtening of tension in the ddle East, the gold market nained fairly sluggish and ntinued to hover around the 00 mark. In the U.S. gold- itchers have been monitoring e situation closely and advis- g their clients to take profits hen the price hits the $480-500 vel. Meanwhile the Free arket Gold Coinage Act now fore Congress would require e U.S. Government to use its ock of 264m ounces of gold produce coins and would event the Government from terfering with banking con- ucted in units of gold.

Following the success of the uth African Government in arketing the smaller units in e Krugerrand range Mexico is entered the field, with ree gold pieces aimed at the vestor of relatively modest eans who wishes to put some oney into gold.

Like South Africa, Mexico is gold producer with a long story of legal tender coinage idely used as bullion pieces. ne Mexican 50 peso coin is articularly popular in America here it currently trades in the 530-540 range. As it contains 2 troy ounces of fine gold, owever, it is less convenient ian the Krugerrand and it is riously to meet competition om South Africa that the new 1, ½ and ¼ ounce pieces have been launched.

As legal tender coins these new pieces do not incur VAT. The question of legal tender validity is rather cloudy. I have always understood that the term implied that a coin had to be accepted in payment for goods or services up to a certain amount. Thus a sovereign is legal tender since it is theoretically acceptable for a pound's worth of goods. *Of course, as* the gap between legal tender value and actual intrinsic worth has widened, the value of such a term has become increasingly academic—except for the Customs and Excise. Thus the new Mexican pieces are regarded as legal tender on the grounds that they are backed by the Central Bank of Mexico which guarantees full redemption at a price based on the current market value of gold (precisely the same conditions as govern the issue of Krugerrands).

For those who are looking for gold in which the numismatic interest is considerably greater than the mere bullion content there is no shortage of material on offer just now. The Royal Mint, one of the world's leading manufacturers of bullion coins in the form of sovereigns, has recently explored the numismatic potential of sovereigns in a version more acceptable to the collector. Having dabbled first in proof sovereigns and then gone for complete sets of four coins, *½, 1, 2 and 5 pound pieces, the* Mint has now settled for a middle course and is currently offering the sovereign and £5 *coin in proof versions at £110* and £550 respectively.

For those who like a £2 gold coin there is always the coin which the Royal Mint is striking on behalf of Jersey. This forms part of an extraordinary series of gold coins which the Mint is now launching to celebrate, somewhat belatedly, the Royal Wedding. I use the term "extraordinary" advisedly since this collection was notified to the Mint's gold collectors in the form of a letter without illustrations or even a description, but doubtless confident of the blind faith of its clientele in the worthiness of the coins.

Surprisingly enough Guernsey, which took part in the Royal Mint's silver crown package for the Royal Wedding, is not one of the 12 countries participating in the gold issue. Neither is the Isle of Man, which always takes a sturdily *independent line in these mat*ters and has launched its own gold Wedding commemoratives. Since 1973 the Isle of Man has produced an annual set of four *gold coins, from* the *half* sovereign to the £5 piece, using a standard Viking Warrior motif. This year, however, the warrior stood down in favour of the royal couple. The three lower denominations are available separately but the £5 can only be purchased as part of the set, and as only 1,000 sets were minted the £5 coin has a higher level of numismatic interest than any other new gold coins at the present time.

The limit of issue is not the only factor to consider when weighing the long-term numismatic potential of modern coins. The designs and themes can also be crucial in this somewhat capricious area. Next to royal weddings, sport is the most popular theme and a series of coins (including gold 2,500 and 5,000 drachmae) for the forthcoming Pan-European Games in Athens would have much to commend it *per se*. But not *only are the motifs, derived* from ancient Greek athletic art, extremely attractive (not to say rather explicit) but the inscription on the reverse contains an astonishing spelling error, which should enhance its curiosity value if nothing else. Of course, such an obvious bloomer would tend to make one question the authenticity of the issue since one assumes that the Greeks at least know how to spell the name of their capital city!

CHESS

LEONARD BARDEN

KARPOV'S RETENTION of the world title last weekend was reported in Soviet media with a prominence and gusto which emphasised the political importance of the match and the very different status of chess in Eastern and Western Europe. *Sovietsky Sport* devoted most of its front page to the story on two days running, with congratulatory messages between Karpov and President Brezhnev and personal tributes from dignitaries who included the chief trainer of the USSR soccer team. The first day's front page succeeded in pub*lishing several dozen column* inches without one single mention of the name of Karpov's opponent. This was not quite possible on the second day when the tributes included analysis from eminent grandmasters and a long interview with Karpov himself.

Moscow television announced the result in a special peak-hour news bulletin where a woman sports commentator said the Soviet people could *congratulate Karpov on his* "shining outstanding victory" over his (again unnamed) challenger. Korchnoi's bad behaviour at the board during *the second half of the match* was naturally meat and drink to the portrayal of the contest as between a Soviet patriot and a petulant and vengeful rival. After the 1978 series in the Philippines Karpov was received and decorated by President Brezhnev at the Kremlin and in view of his more convincing margin this time it would be no surprise if the honour is repeated.

Korchnoi *in his final press* conference dropped dark hints of Soviet tourists arriving in Merano with unexplained excess baggage and implied that some chemical agents had been used to make him feel sleepy at the board. Other stories circulating as the challenger's resistance crumbled suggested that Korchnoi was afraid to trust the prepared opening analysis with his assistants in case the Russians had bugged their *room*.

Korchnoi's team included fellow-defectors Alburt and Gutman, U.S. co-champion Yasser Seirawan and British grandmaster Michael Stean, as well as the well-publicised lady from the Amanda Marga, a judo expert, and a Swiss lawyer. This *polyglot assembly were natur*ally a target for the Moscow post-match fire and a Tass statement spoke of Karpov's "great presence of mind faced with malicious attacks and even insults on the part of Korchnoi and his team who wanted to bring psychological pressure on Karpov." Karpov himself put it more delicately when his telegram to Brezhnev merely mentioned "complex conditions" in Merano.

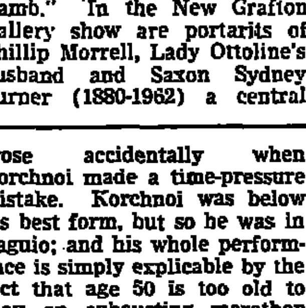
Commentators here decried the playing standards in Merano, as they have after *virtually every world title match* of the last two decades. Yet objectively the errors were less serious than in the previous Karpov-Korchnoi match at Baguio in 1978. Then, as the now-critical analysts seem already to have forgotten, Korchnoi overlooked a forced mate in one game, while in another he lost an adjournment *position where he stood better*. Karpov made at least three serious errors immediately after the time control through rushing his moves.

This time Karpov played a much more assured brand of chess and can only be really blamed for his hasty play in the sixth game, which itself arose accidentally when Korchnoi made a time-pressure mistake. Korchnoi was below his best form, but so he was in Baguio; and his whole performance is simply explicable by the fact that age 50 is too old to *play an exhausting marathon* for the world championship.

On the positive side Karpov himself named the ninth and 18th games as his best; while Korchnoi's brilliant sustained attack in game 13 will long be remembered. The drawn games were a sterile, low-risk bunch and that seems the main ground for not giving the overall quality of play a higher accolade. But it was not a bad match for lovers of fine chess *play and its outcome confirmed* the impression that Karpov is one of the greatest of all the world champions. In my view Karpov, as he plays now, would even beat Bobby Fischer if the latter was still at his peak.

Position No. 399

BLACK (6 men)



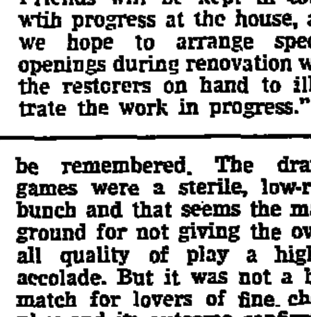
WHITE (7 men)

Blackburne v. Winawer, Berlin 1881. Blackburne (White, to *move*) "*kept his fingers* hovering over his pawn with the apparent intention of queening it." When he finally made his move, Winawer *resigned and everybody* laughed. Can you explain why?

Berlin 1881, a century ago, was a great British triumph. Blackburne won three clear points ahead of Zukertort and Tchigorin who both played world title matches. The British Chess Magazine, which also celebrates its centenary this year, has a full account of Berlin along with results and games from many 1981 events. Its December issue will cover the Karpov-Korchnoi match. For single copies (90p) or an annual subscription (£10.80 post free), write to 9 Market Street, St. Leonards-on-Sea, East Sussex.

Problem No. 399

BLACK (7 men)



WHITE (4 men)

White mates in five moves at *latest, against any defence* (by M. Soukop). This problem also comes from the British Chess Magazine, and was set in the 1981 World Problem Solving Championship. Standards were high, and the British team of Sinclair and Friedgood (2nd and 3rd in the Lloyds Bank British Solving Championship) could only finish eleventh *among 13 countries*.

To solve this under world title conditions, allow yourself 20 minutes against the clock. Despite the length of a five-move mate, this was among the easier competition problems due to Black's restricted choice of defence.

BRIDGE

E. P. C. COTTER

THE BRITISH Men's team, *which narrowly failed to qualify* for the semi-finals, was not helped by an unhappy match against the U.S., a match in which nothing seemed to go *right. Let us see what happened* in this hand, dealt by East with East-West vulnerable:

```
            N
         ♠ A 6 5 2
         ♡ 7 5
         ◇ 8
         ♣ A Q 10 9 6 2
  W                  E
♠ 7 4              ♠ K 9
♡ 9                ♡ A K Q J 10
                        6 4 3
◇ K Q J 6 5 4      ◇ A 7 2
♣ J 7 4 3          ♣ —
            S
         ♠ Q J 10 8 3
         ♡ 8 2
         ◇ 10 9 3
         ♣ K 8 5
```

East opened the bidding with *two clubs, and West replied two* diamonds. North at favourable vulnerability came in with three clubs, and East rebid three hearts. With good support for his partner's suit, South decided to get into the action by bidding three spades. West now said four diamonds, and North raised his partner to four spades. The opening bidder jumped to six hearts, and the American South made up his mind to sacrifice in six spades. This was doubled by West, and all passed.

West led the heart nine, and was somewhat surprised to find himself holding the trick. East had dropped the three, a suit preference signal, demanding a switch to clubs. Obediently West led the club three, another suit preference signal, indicating willingness for a diamond return. After ruffing the club with his nine of trumps, East underled his diamond Ace by returning the two, which enabled West to regain the lead and play another club for East to ruff with his trump King, and then cash his Ace of hearts. This superlative defence defeated the contract by four tricks.

The successful heart slam *would have cost North-South* 1,430, but by good defensive bidding and judgment they had reduced the loss to 700—six spades doubled down four was the par result on the hand.

Unfortunately for Hackett and Collings, sitting East-West, their team mates in the other room after identical bidding up to East's six hearts, did not sacrifice in six spades. So the British team lost 13 IMPs on a hand which might have resulted in a small gain.

Zia Mahmood of Pakistan played the next hand brilliantly:

```
            N
         ♠ 7 2
         ♡ K J 8 2
         ◇ 9 4 2
         ♣ 10 9 4 3
  W                  E
♠ K J 9 5          ♠ 8 3
♡ 10 9             ♡ A 6 5 4 3
◇ 10 7 5           ◇ A 8 6 3
♣ K 7 6 2          ♣ J 5
            S
         ♠ A Q 10 6 4
         ♡ Q 7
         ◇ K Q J
         ♣ A Q 8
```

With East-West vulnerable, South dealt and bid two no trumps. North tried a Stayman three clubs, but when he heard *South's reply of three spades*, he settled for three no trumps.

When West led the ten of hearts, clearly a short suit lead, South asked himself why West had chosen to lead through North's announced four-card suit. Presumably, because any other suit was even less desirable. Winning with his heart Queen, declarer at once returned the Queen of spades. West won with his King, and switched to the seven of diamonds. East won with the Ace—he would have done better to duck—and played back another diamond to South's Queen. Declarer now led his remaining heart to the nine, King, and Ace, and East returned another diamond.

Reading West for the other black King, South won, and led the Queen of clubs. If West ducks, he defeats the contract. South cannot do better than play Ace and another club, West wins, exits with the spade nine—the five will also do—and must make his Knave, to put the contract one down. However, West took the club Queen, and returned a club to the ten, Knave, and Ace. South crossed to the club nine, and cashed dummy's two heart winners. The *second heart squeezed* West, who was forced to bare his spade Knave, and South, reading the position perfectly, dropped it to make nine tricks.

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Saturday November 28 1981

Cold weather for crusading

POLITICIANS, IN their vanity, like to suppose that what voters are always seeeking is leadership — usually described, redundantly, as strong leadership. On Thursday night the voters, for the third time in a by-election, gave them the lie. The amiable but often indecisive Mrs Shirley Williams was elected, according to her opponents, in spite of a lack of clear policies. It seems more likely that the voters, who attended election meetings in large numbers, knew what they were doing. The lack of clear policies in an unpredictable world was a positive attraction.

Sentiment

Both the politicians and the markets are responding positively to this new mood. Mrs Thatcher no longer parades her convictions, but her flexibility. This may be partly a confession of missed targets, but it also seems a genuine declaration of future style. In a whole range of issues, from the public spending review to the reception of the Scarman Report, and in approaches to Ireland, the EEC and the control of local government, the Government seems to be seeking workable solutions rather than strong ones.

This change appears to be paying off. There is little talk now of splits in the Conservative Party, and the Tory voters of Crosby deserted the flag in rather less than the expected numbers. In the currency markets, dealers report political sentiment now supports the pull of interest rates.

This may appear a very parochial outlook, but something of the same mood can be seen in the outside world. The apparently doctrinaire President Reagan seems able to combine slogans with pragmatism by proclaiming a broad range of mutually inconsistent aims—tax-cutting and budget balancing, strength and disarmament. A whole range of pressing problems—poor crops in the Comecon countries, a split in Chancellor Schmidt's Social Democratic party, the stabilisation of the French franc, and the condition of Wall Street—are driving world leaders to seek relief in various compromises. It seems awfully cold weather for crusading.

Is this a necessary yielding to realities, or a dangerous fudging of important principles? The truth seems to be that while the problems of fighting inflation, deterring aggression, and adapting to a rapidly-changing environment will not go away, our approaches have been simple-minded.

This column is not concerned with defence matters, but it may be significant that a new possibility of movement is detected by Herr Schmidt at a time when experts of the authority of Lord Carver have denounced the present nuclear stance as self-contradictory and dangerous. On economic management, with which we are concerned, the latest contribution to the argument has come from the National Institute of Economic and Social Research.

The institute's new Review scores some shrewd hits on current doctrines. The statement that workers have priced themselves out of jobs, or that unemployment is a response to cushy welfare provisions, is shown to be highly questionable. At a higher level of sophistication, it shows that the behaviour of the real world is not at all like that specified in monetarist models.

Much of this might well provide soothing bedtime reading for our own Chancellor of the Exchequer. Events have conspired to make Sir Geoffrey Howe look like a doctrinaire extremist, but in life he is no such thing: he distrusts doctrines, and positively prefers what he calls "muddy solutions."

Unfortunately a lack of any clear policy objectives can lead to a paralysis of the will which looks very like doctrinaire rigidity. Recent events in the London money markets, which have been explained only in an opaque statement from Sir Geoffrey to the Commons Treasury Committee, illustrate this point.

The authorities are pegging very short rates at a level which is wholly out of line with the U.S., and with the rest of the market. The only explanation offered is that there has been a worrying rise in bank lending to the personal sector, and that business may now have to borrow to pay its taxes. This makes little sense. The banks have used the summer borrowing lull to take business from the building societies and retail stores, which adds little to net credit, and the distortions to revenue flows have been forecastable since April.

Bizarre

The techniques used have become increasingly bizarre. Tax payments and some gilts sales have caused an acute money shortage. The market refuses to sell its holdings of bills at the prices offered by the Bank of England, and so in recent days the Bank has been recycling money by intervening in the exchange markets. Yet while going to these elaborate lengths to frustrate market forces, the Bank complains that the commercial banks have been too slow to cut base rates. The whole affair seems to be a pantomime scene ahead of season. Pragmatism is a good substitute for over-simple doctrine, but it is not a substitute for thinking out actions which make sense.

POLITICS TODAY

Losing more than a deposit

By Malcolm Rutherford

Mrs Williams at Crosby: a victory for the crusade.

MRS SHIRLEY WILLIAMS celebrated her victory in the by-election at Crosby in the early hours of yesterday morning with a quotation from Dryden: "'Tis well an old age is out, And time to begin a new."

She also described the Social Democrats as not a party, but a crusade.

Her final hyperbole was that we are moving towards a new two-party system composed of the Social Democratic-Liberal Alliance and the Conservative Party. The real loser at Crosby, as in the two previous by-elections at Warrington and Croydon, was the Labour Party.

Taking the three remarks together, and allowing for a pardonable element of exaggeration, Mrs Williams got it about right. A fundamental change is going on in the composition of British politics, but we do not yet know where it will lead. Hence her revealing reference to the crusade. A crusade for what?

The result at Crosby, where the Labour candidate polled only 9.5 per cent of the vote and lost his deposit, was a disaster for the Labour movement. All sorts of excuses can be conjured up. For example, the party suffered from its internal divisions and must now unite—a sentiment that, hardly anyone needs to be reminded, we have heard before.

Steady decline of the Labour vote

Or again, Mrs Williams, despite having lost her seat in the last general election, is such a popular figure that she would have won a by-election wherever she stood.

Not least, there is the excuse that the Labour voter, considering the particular circumstances of Crosby, may have decided that the best way to deliver a protest and to get the Tories out was to support Mrs Williams. Mr Eric Heffer, the Left-wing Labour MP for Liverpool, Walton said on television that he would have thought about doing that himself.

All the excuses have some validity, but not much. They have to be matched against the steady decline of the Labour vote over the years. From the beginning of this century, with the exception of 1931, Labour support continued to increase in practically every general election until 1951 when it reached a peak of 48.8 per cent. Since then it has fallen back to 37.8 per cent in the general election in 1979.

It is naive to overlook the significance of those figures. The explanation lies in social change, much of it brought about by the Labour Party in office. The failure of the Labour Party, however, has been its inability to adapt to the changes which it has itself accomplished.

The failure of the Labour Party has been its inability to adapt to the social changes which it has itself accomplished

The most obvious reason why the Labour vote continued to grow in the first half of the century was that it had identified itself with the working class, which was then predominant. In the second half of the century the working class has become steadily smaller.

A conclusion which is inescapable

If anyone doubts that analysis, it is worth noting that it is confirmed even by Marxist historians. Professor Eric Hobsbawn writes in a recent book, *The Forward March of Labour Halted?** that in 1911 manual workers accounted for about 75 per cent of the working population. In 1931 the percentage was about 70. In 1961 the figure was 64 per cent and in 1976 a little over half. Presumably by now it has dropped still further.

Quite apart from the fact that not all those manual workers voted Labour in the first place, the conclusion is inescapable. It is that the more Labour seeks to identify itself as a working class party, the more it is bound to lose. Mr Michael Foot and Mr Tony Benn, neither of whom can be exactly described as of working class origin, are simply out of touch with social developments.

There has been a social revolution, one of the results of which is that large numbers of people whose background may have been working class no longer automatically vote Labour. They want something else, and the Labour Party so far has failed to adapt.

Can Labour recover? It is now very unlikely. It was Mr Denis Healey, the deputy leader of the Party, who best put the argument for adapting policies to changed conditions and for claiming credit for the social changes which Labour governments have brought about.

Mr Healey has lost both ways. He failed to convince such former Labour politicians as Mrs Williams and Dr David Owen that the Party could reform itself: hence the formation of the SDP. He has since all but failed to show that the Party can adapt itself without the presence of its former supporters. Thus, Labour increasingly looks like a spent force.

British system's peculiar ways

There are two qualifications. The first is that the British electoral system works in peculiar ways. For instance, 1951, the year in which Labour won its highest ever percentage share of the vote was also the year in which the Party lost the general election.

The electoral system could now work to keep Labour alive. Anyone who watches the projections of the BBC computer on by-election nights must be struck by the forecasts of doom for the Tory Party.

After Warrington, the computer projected that if the voting performance in the by-election were repeated all over the country in a general election, Tory representation in the House of Commons would fall to one. After the Croydon result, the projection rose to nine. After Crosby, it fell back to four.

The Labour representation holds up very much better. The projection on the basis of the Crosby result was 533 seats for the SDP-Liberal Alliance, and 78 for Labour.

The question of union reaction

On the assumption that the Alliance vote in a general election was ten percentage points lower than at Crosby, the computer produced the following forecast: Alliance 220, Tories 177 and Labour 214.

Those figures should not be lightly dismissed. So far as we know there is still a very strong Labour vote in the North East and in Scotland which has yet to be tested in a Parliamentary by-election. If it were to hold up in a general election, Labour could still be a force in the House of Commons in spite of having been reduced to the role of third party as measured by the percentage of the national vote.

The other qualification about the future of the Labour Party concerns the trades unions. It is no longer possible, if it ever was, to speak of Labour solely in terms of the Parliamentary Party. It is governed by the party conference and by the unions. The question is how the unions are going to react to their Party's well-documented decline.

At this stage it is impossible to give an answer. Perhaps the unions will simply fade away as a committed party political force. After all, it is partly their members who have been boosting the Tory and now Social Democratic vote.

Union members have also gone through the same sort of social change as almost everyone else. They have been better educated and better housed than could have been ever expected when the Labour movement was founded.

Moreover, the very process of educational change has meant that the unions no longer produce the old kind of leader. The young Bevins and the Deakins are all creamed off by the educational system. The unions thus have an adaptation problem of their own.

And yet so in a way do the Tories and the SDP-Liberal Alliance. Both Mrs Thatcher's Tory Party and the SDP have gained from the social changes of the past few decades. Mrs Thatcher herself is a product of them: a meritocrat who rather against the odds became leader of the Conservatives. The SDP support—it was very apparent at the Party's travelling conferences in the autumn—seems to come largely from technocrats, people who have never had any great party allegiance before and some of whom have never even voted, and who consider themselves classless.

The Liberal Party in recent years has always been a bit like that, though without the prospect of power. If you look at the voting patterns from about the mid-1960s, the interesting fact is not just the decline of Labour support, but the fall in the combined vote of the two big parties.

The Tories reached their peak of 49.4 per cent as long ago as 1959. Even in 1979, when in terms of the number of seats they won a sweeping majority, they came back only to 43.9 per cent. In the general election of October 1974 they had been down to 35.8 per cent.

It is the emergence of the SDP which has accelerated the trend against both Tories and Labour. There is now a credible third, some would say first force. But it is primarily a sociological development, an example of the political system beginning to catch up with societal change. It does not, as yet, solve any problems. There is a new class which outnumbers either the stereotypes of working class or the capitalists, but nobody is quite sure of what it wants or whether it is itself united. Nor is its allegiance to any one party by any means secure.

Market research orientation

Much of politics today is now about listening, of finding out what the voters want. That is what the SDP is now doing, without giving itself away in advance by commitments to detailed policies. In a way, it is still market research without the finished product. Labour went out of research a long time ago, but the Tories are still just about in it, which is why Mrs Williams' remark about the new two party system could turn out to be prophetic.

From the Conservatives' point of view, the Crosby result was good enough to encourage the Party to hold its nerve if it wants to. It might not, since the Tories have their own internal divisions. But I would guess that, if the Party is well managed, serious trouble could be held off till about next May.

By then we shall have had the Budget, the local elections—in which the Alliance hopes to sweep the country—and an indication of the unemployment trends two years, at the most, before a general election. It may be that the economic tide will have turned in the Tory favour. But if not, there is already a certain amount of talk about not going down with the Titanic.

* *Published by Verso in association with Marxism Today, £2.95.*

Letters to the Editor

Europe

From Mr W. Kinnear

Sir,—The overall benefits to Britain from membership of the Common Market are clouded by some of the absurdities of the Common Agricultural Policy and the fishing regulations which make excellent headlines. In these days of world-wide recession what concerns the average person is preservation of his or her job. I find that few workers are aware that the proportion of British exports going to the Market has risen to 43 per cent and next year is likely to approach 50 per cent.

Every company exporting to Europe ought to publish to its shareholders and workers the percentage of its exports which have gone to the Market in each year since 1973. These figures will show the huge loss of sales and hence jobs that would occur were we to leave the Market.

W. A. Kinnear.
Farfield House,
Monk Sherborne, Basingstoke, Hampshire.

Labour

From Sir Patrick Donner

Sir,—"Labour has got to make itself look plausible to the electorate," writes Miss Elinor Goodman (November 21). True, and that means, she believes, that a lot of work has to be done on policy. But this overlooks the fact that the electorate watched the Labour Party conference on TV. They saw Mr Benn defeated by a whisker although some of his extremist policies were adopted. They saw Mr Healey, papering over ugly cracks, undertaking to pay due regard to the opinions of the defeated 49 per cent — ie. a significant and ominous lurch to the Left. But another element was of paramount importance.

The conference was about power. Power was on everyone's lips. And, of course, the interests of the Party. No one concerned himself with the country. The country was hardly mentioned.

Mr Callaghan was driven to complain about damaging lies. Mr Healey of "cantankerous rancour." The outstanding element was hate. Hate seeped into speeches; ill-feeling affected the atmosphere like a poison gas. BBC interviews revealed with shocking clarity the dislike, at times bordering upon detestation, that these Socialists and Marxists feel for each other. Even the Leader, Mr Foot, spoke about the "enemy." The enemy was not the enemies of this country, but the Government and all those of his fellow countrymen who disagree with him.

These men use the language of war to describe their political opponents. That is how they think. That is how they feel. Hatred is the unacceptable face of Socialism.

Imagine the greatest unifier of the nation in this century, Winston Churchill, referring to his own fellow countrymen as the enemy! Faced today by an even greater menace, the Communist aggressor, what would not Churchill have said of Labour policies today, some of which are plainly in the interests of Soviet Russia but emphatically not in the interest of Britain. He once said that Labour was unfit to govern. He would have said it again, now.

(Sir) Patrick Donner.
Hursthourne Park,
Whitchurch, Hants.

Woolworth

From Mr E. Lowe

Sir,—The Woolworth problems outlined by David Churchill (November 21) are very apparent, especially his comments about the lateness of a change. It would have been far better for Woolworth, albeit late in the day, to have had a more subtle change in policy through a sound annual advertising-led sales plan, rather than the sudden change to big ticket items. Apart from being too late, the changes for Woolworth were more than the public could accept.

You can be sure that the last quarter of 1981 will be for Woolworth the tremendous boost to profits that it always is, because profits climb faster than sales.

The problem lies in the £7.4m advertising spend and its dispersal over the year. The fixed costs of Woolworth, like any other business, are there throughout the year and sales pressure needs to be applied in every department throughout the year. This way the true image of the store and it's position in the market place will evolve more clearly and more firmly. The majority of its Christmas advertising will be paid for by suppliers and this also may result in a selection of goods being featured in their advertising that is not representative to the company.

Eric Lowe.
Larkfield,
87 Lower Cookham Road, Maidenhead, Berks.

Locked in

From Mr C. Feather

Sir,—Tim Dickson's article (November 24) on the Government's business start-up scheme should make useful reading for the authorities.

If there is one particular element which in my experience detracts from the scheme it is that the shares in the start-up company must be retained for at least five years to avoid the withdrawal of relief and for a similar period the start-up company must maintain its own qualifying status. Five years may not be a long time in the life of a nation but it covers several phases of development in a fledgling company. This particular restriction deprives the start-up company of developing in a manner which involves the acquisition of a non-qualifying subsidiary but yet may be dictated by commercial necessity. In such circumstances the company would be faced with a choice between protecting the tax relief of its own shareholders or protecting its own commercial position.

If the authorities genuinely wanted to encourage the interest that has been shown in the start-up scheme they would consider tapering the loss of relief so that the exposure to claw-back diminished in proportion to the amount of time during which the shares were held or before which the start-up company lost its status.

In the meantime how can a potential investor be anything but disinclined to lock himself into a start-up situation for five years? In the circumstances, the extent to which the specialist funds have attracted support is an encouraging indication of the degree to which the spirit of enterprise persists.

C. A. Feather.
J. M. Finn and Co.
Salisbury House,
London Wall, EC2.

Planning

From Mr M. Dunning

Sir,—On November 18 a full meeting of Hammersmith and Fulham Council approved a financial deal relating to a project for which planning permission has not yet been granted. The scheme involves changing the district-plan-designated use of a riverside site owned by the council to permit the erection of 83,000 sq ft of offices together with 75,000 sq ft described as a "media centre."

The council was told by the leader that the value of the site if sold for its designated use (rather vague but expressly excepting high or office buildings over 3,000 sq ft) would be £1.3m but that for the scheme proposed, a pension fund developer would pay, for a 125-year lease: (a) on completion of the development, a premium of £3.85m and a ground rent the greater of £250,000 per annum or 15 per cent of the rack rental value of the offices and media centre; (b) £825,000 on completion of the agreement; (c) £1.5m plus professional fees for the repair/refurbishment of the adjacent Riverside Studios to be carried out during the development period. In addition the council would receive the income from a dance centre, restaurant, studios and workshops built and paid for by the developer.

Hammersmith Riverside Arts Trust, at present largely funded by Hammersmith and Fulham Council, would be made financialy independent as the result of (b), (c) and a covenant to be made with the council which will guarantee a minimum yearly income of £250,000 for a period of 60 years. What was not discussed at the meeting were the environmental effects of this arrangement, relatively new for Britain, termed planning gain, whereby normally unacceptable developments are allowed in return for facilities, the cost of which would otherwise fall on the local authority.

These effects are that the development will damage rather than improve the environment, and that, because of this use of funds, a suitable site elsewhere which could benefit from development will deteriorate further.

It would be a great shame if we were to exchange planning control over major developments in this country for an arbitrary site-by-site bargaining procedure to benefit local authority funds, heedless of the wider planning consequences.

Michael Dunning.
55, Yeldham Road, W6.

Textiles

From the Chairman,
Textile Industry Support Campaign

Sir,—Our basic plea on textiles is to restrict imports from low-cost suppliers for the simple reason that no amount of productivity gains can ever bridge the price gap. The consequences of unrestricted access of low-cost textile products to the EEC would threaten the livelihood of nearly 10 per cent of the Community's work force which would be socially intolerable. The "remaining 35 per cent" of our imports which Mr Wolf (Nov. 23) attributes to high-cost suppliers is only half the equation, since we are exporters to these same countries.

We have never resented imports from developed countries where trading conditions similar to our own exist and where we have equal opportunities to export—international two-way trade has always been our strength — but to suggest that we take from countries (such as Korea) which themselves deny our exports, or from countries such as Brazil, who impose 200 per cent duties, is arrant nonsense.

John G. Bridge.
115 Windsor Road, Oldham.

Lorries

From the President
British Transport Officers' Guild

Sir,—Recent announcements make it clear that the Government is prepared to allow 40-tonnes lorries on our roads.

While many people and organisations will see this as an anti-social move, it is known that it has the support of organisations such as the Freight Traders' Association.

In the Armitage report the acceptance of heavier lorries on the road was linked with more control over those lorries, higher cost contributions and a more enlightened attitude to the approval of Section 8 Grants for introducing rail connection facilities. In addition, an increasing number of organisations accept the need for some kind of integrated national transport policy.

It would, therefore, be most helpful if the various interested bodies, including, for example, the FTA, would now use their influence to ensure that these equally important matters connected with the Armitage report receive due attention.

M. H. Williams.
Room 307, West Side Offices,
Kings Cross Station, N1.

David Palmer meets the man who takes over as chairman of Britain's largest company this weekend

Enter a new breed of oil man

ɪSH PETROLEUM is ɪin's largest company. It ; one-sixth of all the oil in North Sea and, through its rican subsidiary Sohio, one-th of all the oil in America.

ɪr most of this century, it been the most successful of Seven Sisters in finding and acting oil. Much of what it has a larger-than-life ity, whether it is the extra-nary feats of engineering involved in much of ern exploration, or the ɪr size of its operations—m of turnover £1.5bn of its, a £400m takeover bid largely in cash, or a £600m ts issue.

et BP, like the world oil istry, is at a turning point. great age of oil exploration, n the majors carved up the ld between them, came to an ɪpt end in the autumn of ɜ.

he full impact of these ɪges was hidden for some e as BP's protfis (along with

cent attempts to ersify show up red ink

se of the rest of the indus-) galloped ahead on the back rising oil prices. In the ɪt year BP has been losing ney on its marketing, its ining and its chemicals.

Recent attempts to diversify m oil by buying expensively o coal and minerals are show-ɪ up in red ink on the profit d loss account. The company going through its third re-ganisation in 10 years. And, ving lost Nigeria and Iran, it ıld even find itself short of . Sceptics put it unkindly: "BP is a two-pipeline company whose production has peaked."

Enter at this precise moment a *new chairman and chief* executive. Peter Walters is 50-years-old, the youngest chairman BP has ever had. He is the first to have been to a grammar school, and as if to rub it in, went to a redbrick university as well.

"In the years before my generation, BP recruited marketers and they were the gentlemen," he recalls, in what used to be called a mid-Atlantic accent—without a hint of class or region. "When they started recruiting people like me, they went more for the accomplished players."

Walter's appointment has been a popular one within BP. There is a widespread feeling in the company that the change of style that he is thought to represent is coming just in *time. Many would privately* admit that the 6,000 strong head office complex in and around London *has* become overstaffed and overindulgent and that, somehow, BP needs a *good, hard shakedown. Walters* is young enough and has the time to do it (he has said he will retire at 60). That gives him just over nine years).

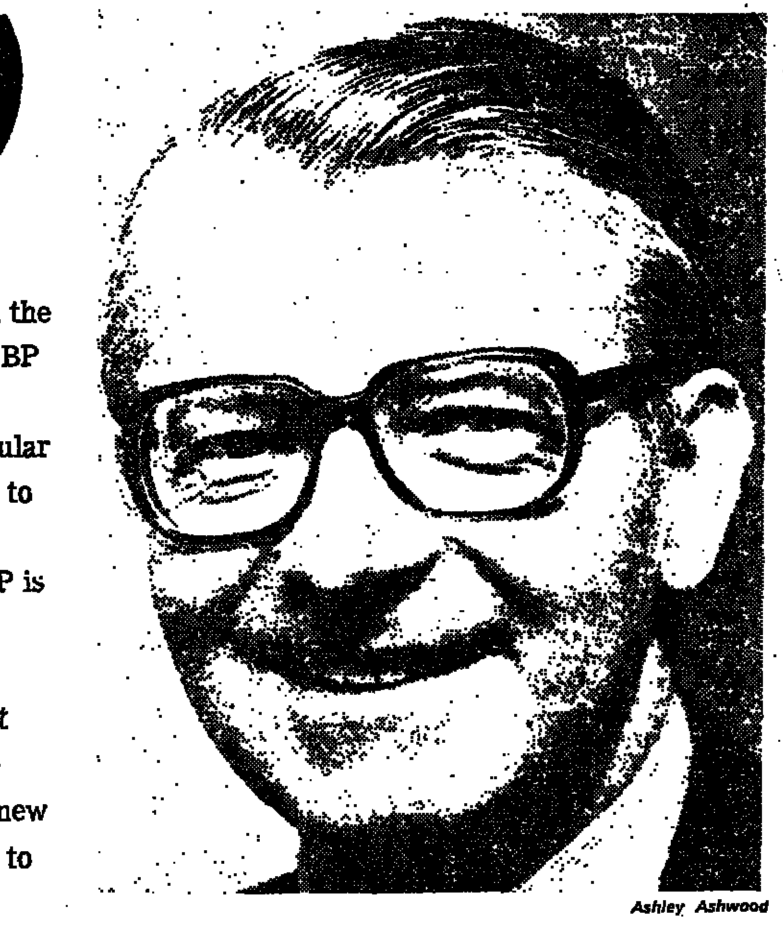
His strategy has several strands. One *is to use BP's* new organisation structure—which has divided the company's operations into nine "businesses" such as coal, minerals, gas, oil exploration, oil refining and marketing—to bring financial discipline to areas where it has up to now been lacking. Twice during our talk, he homed in on the refining and marketing area as one ripe for "corrective action."

"One of the problems of poor performance in refining and marketing is the way in which working capital over the last four years has *absolutely* rocketed. If you set an opportunity cost of capital against that, that really is a millstone."

He is not all that optimistic about the future for chemicals. "It will never be a really big profit maker. Although some £70m a year has already been saved by slimming down the chemicals operation, as fast as we pedal to make economies, the market goes away from us."

As for head office, "I believe the centre should be small, that is the Walters approach." He wants the centre to adopt a "positive, hands-on" strategy and policy-making role. But "the services that are currently in the centre's bosom have to be tested against the needs of the operating companies."

Peter Walters is the modern *management technician*—he calls himself a "numbers man." His answers to questions are long and carefully structured, with a tendency to stray into sentences like: "We had to get some sort of back-to-back reconciliation between the cost of doing business and the marketing profitability of it. . ." (Translation: we had to show a profit.) He has a reputation within BP for an encyclopaedic knowledge of the oil industry, and for quiet dedication to his work.



Ashley Ashwood

Peter Walters is 50, the youngest chairman BP has ever had. His appointment is popular and is likely to lead to a change in the company's style. BP is now headed by a technocrat, with a well-ordered, almost clinical approach to management. The new BP can he expected to reflect the man.

The company used to be dominated by the criterion "not so much of profit maximisation but of cost minimisation," he says. It allowed itself to be pushed into an 'expanionist marketing and refining phase," which had the effect of "standing the profit motive on its head." Hence the rush downstream into chemicals where "*the results have been ghastly*"—a net negative cash flow totalling £700m in 14 years.

From now on, Walters says, the centre will dictate the financial standards by which managers of the businesses can expect to be judged—"10 per cent DCF real after tax. The things I would pay particular attention to are, first of all, the total financial situation of the group, looked at in a number of ways over a five-to-10-year period—the group's debt-equity situation, the interest cover, the cash flow, the rate of dividends."

The key to the new BP—the cornerstone around which its new management structure has been planned—is its decision to diversify out of oil. Last year, BP's *retiring chairman*, Sir David Steel, announced that half of BP's assets would be in non-oil by 1990. That implies a shift valued in today's prices at *several billion* pounds before the end of the decade.

Walters thinks BP may not meet that target. "1990 is perhaps too early, but it would be in the 1990s." However, he is fully committed to the idea of diversification, and not at all put off by BP's experience in chemicals, or by the abysmal record of companies such as Exxon and Mobil *whose* diversification efforts so far suggest that the oil majors might be fiser to stick to areas they already understand.

Oil, he says, "is at best a static business," that is going to require increasingly heavy investment in exploration and in upgrading refined products in order just to stand still.

"One of the considerations was that if young people and/or investors regard a particular industry as a declining industry, you may well not get the best investment, and the best young people to join you."

So, early in the 1970s, the company began to move into "obvious areas of growth into *which BP could bring* and *transfer* its existing skills.

"We had the knowledge to move into the wider energy field. But in doing so, we really totally rejected the nuclear option. We discussed this very thoroughly and decided it was so political—both in terms of politics political and environment political—that we should have no part of it"—although that decision did not exclude uranium exploration and eventually some sort of simple processing.

The "obvious areas" were coal and gas. "From *that* point, we felt that we knew enough about natural resource extraction so that we could go into the minerals business. We thought that some of the skills which we brought to bear on energy extraction and development were also relevant to mineral extraction and even natural resources in the widest sense." It was that reasoning which led to the expensive Selection Trust acquisition last year.

Walters is going to drive BP, in so far as it is possible to *drive a company with 120,000* employees and a huge multinational business. And he is going to bring to the job a new sense of singlemindedness and dedication.

It is striking that in the very same week that Walters is taking over at BP, intent on getting head office's hands on the business, another of Britain's great multinationals, ICI, has put a new man in the chair with similar intentions.

Both companies have enormous *strengths in depth*. Both companies have been hit hard by the world recession and by the impact of oil prices on their businesses. Both companies' head office and senior executive structures are often compared to large Civil Service departments. Inside both companies, there is a feeling that a new style at the top is needed.

One colleague describes how in the 1960s, a "mafia" of

Again, the metaphor of gentlemen and players occurs

professional managers—once again, the metaphor of gentlemen and players comes through—ture through the supply department and brought some of the most advanced computer *systems in the world into BP's* management.

From this weekend, BP is headed by a new breed of oilman—somebody who is not *really an oilman at all, but a* technocrat, with a well-ordered almost clinical approach to management. The new BP that will be created under his leadership can be expected to *reflect* the man.

Weekend Brief

ɪriends ɪnd influence ɪn Hong Kong

Sir Yue-Kong Pao's name and eputation are known worldride. The office in Hong Kong here he receives visitors is rammed with photographs howing him shaking hands with ıe world's political leaders. The ɪrmer Shanghai banker who ɪft China when the Communɪts took over is even welcomed ith open arms by the new hinese leaders. This fame is ot surprising as Sir Yeu-Kong the world's largest private ɪipowner with a fleet of 20m cadweight tonnes of vessels ither on the seas or on order.

But *this* week the shipping illionaire discovered that on *iling into home Hong Kong* ɪaters he had raised a storm. his has blown up over his ɪttempts to arrange a deal in ɪhich World International Holdings), 75 per cent owned y Sir Yue-Kong and his family nd his shipping flagship, with m dwt of vessels will be bsorbed by Hongkong and owloon Wharf and Godown ompany, 45 per cent owned by orld International.

The proposed deal is the completion of the business of last ear when Sir Yue-Kong gained ɪntrol of Hongkong and Kowɪon Wharf and wrested its ɪairmanship from Jardine, latheson. The Wharf Company ad been founded back in 1886 y Jardines to provide cargo ɪndling and storage facilities. acquired land on the waterɪont on the Kowloon side of ıe harbour. Ironically, Hong ong Land, Jardines' associate, ɪilts its fame and fortune ɪrough Sir Paul Chater's farɪghted acquisition of reclaimed nd on the Hong Kong side.

But Jardines did not lequately protect its holding the Wharf Company which in ıe late 1970s had come to be *tting on 25 acres of prime* and ɪderdeveloped land, much of no longer needed for its ɪiginal wharfing purposes. In ldition the Wharf Company ɪns the Hong Kong Hotel, the *ar Ferry and the Hongkong* amways. By the time Jardines ɪalised what was going on Sir Yue-Kong already had his foot in the door of the Wharf Company and was able ot fight off Hong Kong Lands counter-bid.

The pressnt move is logical from Sir Yue-Kong's point of view. It wil create a company with a market value of about HK$11.5bn (more than *U.S.$2bn) which will* put it into the top three Hong Kong companies by market capitalisation. It will allow the good cash-flow of World International to be used to support the potentially hugely profitable property developments of Wharf which could cost up to HK$5bn to HK$6bn over the next few years. It will make Sir Yue-Kong not just a rich shipowner but a major Hong Kong landowner, which is where real money can be made.

What caused the concern was the way in which Sir Yue-Kong tried to *push his plan through.* The shipping billionaire behaves very much like the banker he once was. He is slow and careful in speech and gives the impression of weighing *everything ponderously. But* once he has made up his mind he can be most decisive.

He and his merchant bank advisers Wardley wanted the whole deal sewn up and approved by December 2, just 10 days after it was announced. They prepared no formal documents setting out the case. These would be sent out only after the scheme was approved. Critics also contend that Wharf is paying a high price for fully valued shipping shares by issuing its own shares at a discount to asset value which may be as high as *HK$11 compared* to HK$6.35 in the market before the offer.

"It is like Wharf issuing dollar notes to the world and Sir Yue-Kong for 55 cents *each," commented* one critic. Surprisingly, Mr Robert Fell, the new Commissioner for Securities, approved the scheme without any public demur. True enough, no change of control *of Wharf is involved*. The scheme is not technically a merger, for which Wharf assets would have had to have been realistically revalued, but is a legal scheme of arrangement.

Critics contend that Mr Fell would have directed attention to General Prnciple Four of the new takeovers code which says that shareholders have to be given sufficient information and *sufficient time in which to make* up their minds. Given that many of the shares are held under street names a large number of shareholders would not have had the time to register. Only *after the announcement and the* uproar did the Commissioner begin to push in private for more time to be given. On Thusday night Wharf and Wardley gave way and will allow until the latter half of January before the extraordinary general meeting to decide the issue. Before then the formal documents will be ready.

Sir Yue-Kong Pao, one of Hong Kong's most powerful men

The odds are still on Sir Yue-Kong. "In Hong Kong, money talks," said one analyst. "And *Sir* Yue-Kong has powerful backers." His advisers Wardley are part of the Hongkong and Shanghai Bank group.

In the final analysis, given shareholders apathy, the matter *may rest with shares held by* Hong Kong bank hominee companies. One merchant banker unconnected with the issue asked whether, assuming that the shareholders give no speci*fic instruction, those shares* will be voted according to the financial merits of the deal or on the political wisdown of supporting a rich man.

The bank has demonstrated before that it has an eye on long-term insurance. In 1979 it sold 22 per cent of the shares of Hutchison Whampoa or effective control of the company to property magnate Li Ka-Shing for a mere 10 per cent downpayment.

Sir Yue-Kong has kept his banking connections. He is the deputy chairman of the Hong Kong Bank.

If the deal goes through, the old saying about the real rulers of Hong Kong consisting of the chairman of the Hong Kong Bank, the Taipan of Jardines, the chairman of the Royal Hong Kong Jockey Club and the Governor would have to be revised. Sir Yue-Kong would have to be consulted.

ɪutlin's ɪssault on ɪrizona

seems scarcely yesterday—ɪt in fact it was a year ago—at Bobbie Butlin was ɪsetting the good burgers of orence by having Butlinettes *lease gas filled balloons in* at city's opera house. Getting e things out of the ɪandeliers in time for that ɪening's performance proved mething of a challenge. The ɪcasion was a welcoming party the Florentines for the nual convention of the Assoɪtion of British Travel Agents. This year the ABTA caravan s come to rest in the *rawling desert city of Phoenix* Arizona and the welcome part was in the open air. Butlin, like his balloons, rose to the challenge. This time he gatecrashed the celebrations by renting a small aircraft and, for a price of £2,500, indulged in a bit of gentle blue skies graffiti. Butlin's rented pilot scrawled Butlin logos over the Arizona sky while Butlin himself stayed ground based to make sure that the travel agents from whom he hopes to win even more business got the *elevated message.*

Students of the ABTA convention game will know that this is par for the course at what is becoming an increasingly bisarre event. This time *there are 2,800 British* travel agency and tour operating delegates here along with hundreds of other airline, hotel and car rental people eager to sell to them. British Airways has been *ferrying the more daring* of the visitors around in a hot air balloon. Reg Pycroft, who founded the runs Jetsave, has rented a mountain top "palaccio" to entertain his more valuable contacts. Americana Holidays shipped in Miss World and the irrepressible Julia Morley into Phoenix to *ensure that everyone turned up* to hear its sales message. Champagne breakfasts start the days at 7.30 am and two giant delegate-only discoes thunder out their rythms until the early *hours.*

Behind all the candy floss, however, a remarkable amount of hard business gets done. Lengthy business sessions on new technology, fares wars, *consumer needs and market predictions* are well attended. It is at this seven day event that many of the deals are made which turn up next year in the colourful pages of the travel brochures. *The past year has* been great for the tour operators, terrible for the airlines and worrying for the travel agents themselves who collect commission on sales and thus, when fares and holiday prices are cut as they have been recently, actually earn less money.

While Britain has been struggling in the economic mire its inhabitants show an increasing urge to spend the last of their money on foreign holidays—a fact which clearly astonishes the Arizonans who apparently did not believe that there was not the sort of money being spent here this week left in the entire UK economy. Next year the circus is scheduled to put up its tents in the sophisticated setting of Cannes. Perhaps someone should warn them about Mr Butlin.

Contributors
Kevin Rafferty
Arthur Sandles

Economic Diary

TODAY: New Zealand general election.

TOMORROW: Labour Party reselection conference in Mr Tony Benn's constituency, Bristol.

MONDAY: CBI monthly trends inquiry for November. Commons debate the role of the Comptroller and Auditor General. Financial Times two-day conference opens on retail banking, Royal Lancaster Hotel, W2. Sir Jeremy Morse, Lloyds Bank chairman, gives Stamp memorial Lecture on how British banking has changed, Senate House, London University. Lord Mayor opens City of London Exhibition, Barbican Centre. Joint committee of Spanish Cortes and European Parliament starts three-day talks, including discussion on Spanish entry to EEC, Lancaster House, London.

TUESDAY: Financial Times two-day conference opens on international finance for development, Barbican Centre, EC2. International Chamber of Commerce symposium on operating techniques in commodity futures markets, Paris.

WEDNESDAY: Treasury gives details of UK official reserves for November. Capital issues and redemptions (during November) from Bank of England. Department of Energy publishes advance energy statistics, for October. Commons debate on Social Security benefits and Supplementary Benefits Regulations. Ford pay talks resume. Lord Carrington, Foreign Secretary, attends first session of European Parliament's political committee, Lancaster House (to December 6). International Air Traffic Association conference on North Atlantic fares, Geneva. Stock Exchange turnover published. First tea auction in Singapore.

THURSDAY: Commons debate remaining stages of Finance Bill. American Chamber of Commerce conference on investing in the U.S. — a top management perspective, Hyde Park Hotel, SW1. Two-day conference opens on trade and industrial co-operation between the EEC and ACP countries, Barbican Centre, EC2.

FRIDAY: Department of Industry's company liquidity survey for third quarter. Department of Environment issues figures for house renovations (third quarter); and housing starts and completions for October.

UK COMPANY NEWS

New contracts boost for Brengreen

PRE-TAX profits of **Brengreen (Holdings)**, the contract cleaning group, rose from £302,000 to £425,000 in the 28 weeks to October 10 1981. Turnover climbed from £8.84m to £12.37m.

Mr David Evans, the chairman, says the contract cleaning business continues to expand with important contracts being obtained from the Ministry of Defence and large retail outlets, in addition to a number of other commercial organisations.

The Southend Borough Council (Essex) refuse collection contract has started successfully and will make a significant contribution to profits of this division in the second half.

The interim dividend is raised from 0.3p to 0.4p on the enlarged capital—last year's total was 0.7p.

The pre-tax figure was struck after interest charges up from £114,000 to £121,000. Tax took £53,000 (£104,000), and stated earnings per share improved from 1.15p to 1.37p.

Mr Evans says the economic recession has affected the painting and decorating division where growth has not kept pace with the remainder of the group. In contrast the travel division has performed very satisfactorily since its acquisition in January 1981 and has made a significant contribution to group profits.

The examples set by Southend and North Norfolk in privatising their refuse and street cleansing services is now being followed by other local authorities and the company is now talking to approximately another 100 authorities.

By the end of the current year, the board expects at least 10 of these to have made the change to the private contractor. Mr Evans says he is hopeful the group will benefit from this, and he expects to see continued profit growth during the second half and is optimistic about the future.

A number of acquisitions have been made by Brengreen recently. It has acquired certain of the businesses and assets of **Volworth Holdings**, and has also acquired **Avon Office Cleaning Company**, **Dall Industrial Cleaners** and **Bolen Decorations**.

It is also proposing to acquire **Mullionwood**, a finance leasing and management company wholly-owned by Mr Edward Ball, a non-executive director of Brengreen Leasing and Rentals.

For Mullionwood the consideration is £791,000, with £181,000 payable in cash on completion, and £110,000 payable in cash on the first anniversary of completion. A further £250,000 of the consideration is to be satisfied by the issue of ordinary shares in Brengreen valued by reference to the average middle-market quotation on the last business day in each of the four weeks preceding completion. The balance will be satisfied by the issue of ordinary shares in Brengreen which will be placed with investment institutions by the group's brokers, Grieveson, Grant and Company.

The consideration for Volworth is £693,000 of which £200,000 has been satisfied by the issue of 406,092 ordinary shares, £393,000 has been paid in cash and £100,000 will be paid in cash following signature of the accounts for the year to November 30 1981. Assets acquired include the Russell Kirby Group of Companies which the group has sold to Diversify Holdings for £356,500 cash as part of the same transaction.

Consideration for Avon and Dall is £167,500 of which £92,500 in cash has been paid, £50,000 has been satisfied by the issue of 19,955 Brengreen shares and the balance of £25,000 payable in cash on May 25, 1982.

The Bolen acquisition totals £250,000, of which £70,000 cash has been paid, £150,000 satisfied by the issue of 272,728 ordinary Brengreen shares and £30,000 is expected to be paid in March 1982.

● comment

Jet-propelled expansion is the norm with which Brengreen's shares have had to live. Pre-tax profits are forecast to reach at least £1.1m this year, implying compound growth over the past three years at a rate of more than 60 per cent. Two rights issues have watered this down somewhat when it comes to earnings per share, but even there progress is notable. Start-up costs on the celebrated Southend refuse contract have been taken in the first half, temporarily depressing margins. As tendered costings have proved very close to the mark, profits are expected to show through in the second half. But when Brengreen takes up its Ministry of Defence work in the new year—not to mention further local authority contracts for which it is energetically tendering—the phenomenon may well recur. A fully taxed and diluted p/e of almost 30 discounts the ascent—as does an historic yield of 2 per cent. An unchanged share price of 53p shows that there was little to surprise the market (except, perhaps, the string of acquisitions).

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Brengreen	int	0.4†	Jan 14	0.3	—	0.7
Burtonwood Brewery	int	1.96	—	1.87	—	5.19
Capital & Counties	int	1.2	Jan 4	1	—	3.4
Carron Company	int	nil	—	0.85	—	1.28
Eastern Produce	int	1.4	Jan 15	1.4	—	4.62
Albert Fisher		0.31	Jan 25	0.31	0.31	0.31
Fobel International	int	0.2	—	0.95	—	1.14
Howard Tenens	int	0.5	Feb 2	0.75	—	1.55
Leopold Joseph	int	1.88	Jan 8	1.88	—	10.45
N Midland Construction		1.75	—	1.5	2.4	2.15
Rediffusion	int	1.25	Jan 8	1.25	—	5.5
Tomkinsons Carpets		3	—	2	3	2

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Ductile listing to be restored on Monday

Ductile Steels, the steel re-roller and welded tube manufacturer, which on Monday requested the Stock Exchange to suspend its shares, because it had been advised "that an offer for its shares was imminent," has asked for the listing to be restored on Monday.

"In the event no offer has been forthcoming," said the group yesterday.

Caparo Industries, the fast expanding industrial holding company controlled by Mr Swraj Paul's company Caparo Group, holds a 20 per cent stake in Ductile and was rumoured to be a likely bidder.

At Ductile's annual general meeting this week Mr Paul said "we are just looking at Ductile at present. We have secured a stake, but that is all."

Bowthorpe pays £0.74m for Devlin Elect.

Bowthorpe Holdings has acquired 85 per cent of **Devlin Electronics** for £743,750, satisfied as to £150,000 in cash and the balance by 352,583 ordinary shares.

David Evans retains the other 15 per cent and continues as managing director.

Devlin manufactures electronic switch keyboards, key panels and has an expanding distribution division.

Its net assets at September 30, 1981 were about £182,000 and pre-tax profits for the year to that date totalled £195,500 before an exceptional charge of £25,000.

HERON MOTOR GRP. STAKE DISCLOSED

Walter Alexander, a private company engaged in coachbuilding, the motor trade and fuel oil distribution, has disclosed a 5.06 per cent shareholding in the **Heron Motor Group** whose parent, Heron Corporation, is planning to mop up the 30 per cent of the shares it does not already own.

Alexander announced that it had acquired shares in the company taking its holding up to 2,013,922. Heron Corporation is planning to make an offer of 28p per share.

SONIC/STANMORE

Contracts have been exchanged for the acquisition by **Sonic Sound Audio Holding** of **Stanmore Video Services**. Stanmore is involved in industrial surveillance and security as well as retailing consumer video equipment, and will be the vehicle for Sonic's continued expansion into the video market.

The purchase price is a maximum of £850,000 depending on the profits of Stanmore until October 31 1986. The vendors will receive £200,000 at completion—half in cash and the balance in Sonic shares.

The cash will be raised by a vendor placing of shares by Sonic's brokers, Earnshaw Haes and Sons. The balance of the consideration will also be paid half in cash and half in shares, in annual instalments following the publication of Stanmore's audited accounts, provided that target profits are met.

On completion Mr J. E. Rabin is to join Sonic's board.

BIDS AND DEALS

Dalgety £12m acquisition of Canadian saw miller

Dalgety, the international trading group, announced a C$27m (£12m) acquisition of a Canadian saw milling company to coincide with its annual meeting yesterday.

The UK-based group, which has interests in Australia, the U.S., New Zealand and Canada, has been studying Peace Wood Products, a subsidiary of the Canadian Gypsum Company, for three years.

Yesterday it announced that Gypsum had agreed to the purchase which will expand lumber capacity in Dalgety's existing Balfour Guthrie operation, by some 30 per cent.

Dalgety has paid for the purchase by the issue of 3.675m shares which were placed yesterday by Rowe and Pitman and Cazenove among a wide spread of institutions.

Mr David Donne, Dalgety's chairman, said that the acquisition offered opportunities for important rationalisation between Balfour and Peace Wood.

Peace Wood at present produces "studs"—eight-foot-long cuts of softwood while Balfour produces long lengths. Mr Donne said that it was likely that products could be swopped between the two mills creating greater efficiency.

Lumber trading and milling accounts for about two-thirds of the profits of Dalgety's Canadian interests. In total Canada contributed £9.8m of Dalgety's group trading profits of £76.3m for the year to the end of June.

Mr Donne said that he expected the new acquisition to produce a profit contribution "commensurate" with the increase in capacity it represents.

He also confirmed that Dalgety had fully "digested" Spillers and would now investigate further acquisition opportunites.

Meanwhile the group had received £1.7m for the sale of the Mario et Franco chain of restaurants within the Spillers business. "In a good year they produced £300,000 profits," Mr Donne said, "and we did not have a good year."

HAMBRO LIFE

Hellenic and General Trust, a subsidiary of **Merchandise and Investment Trust**, has sold 1,025m 5p shares of **Hambro Life Assurance Co.** The shares were placed through the market at 318p by Rowe and Pitman.

Hambros retains 43,800,980 shares of Hambro Life representing 43.7 per cent of the issued capital. It is not intended that any of these shares will be sold.

SPRING GROVE GERMAN PURCHASE

Spring Grove Services has agreed to acquire for £685,000 the German laundry and rental services business of Marobes Handels of Switzerland. The consideration will be satisfied in cash by a payment of DM 1.95m on January 4 1982 and payments of DM 500,000 on July 1 1982 and January 1 1983.

The annual turnover of contracts acquired is £348,000 and the value of the business acquired is considered to be equal to consideration being paid.

Profits of the assets acquired, after allowing for interest costs, are not expected to have a significant effect on group profits in the current year, but will be of benefit in the future.

RTZ reasoning for Ward bid

THE **Rio Tinto Zinc Corporation**, Britain's biggest mining company, has told shareholders of **Thos. W. Ward**, the industrial holding company, that there are five main reasons to accept its offer, which is worth £111m in cash.

Ward, which this week announced an increase in profits from £15.6m to £18m for its financial year ending September 30, is resisting the offer dismissing it as "unwelcome and grossly inadequate."

In his letter recommending the Ward shareholders to accept the bid, Sir Anthony Tuke, chairman of RTZ says that:

● Shareholders are being offered RTZ convertible stock worth 210p or cash of 190p per Ward ordinary share —"a substantial increase in capital value."

● By accepting RTZ's convertible stock, shareholders "will receive an increase in income of 62 per cent."

● RTZ's convertible stock is a security offering both "an assured income and the opportunity to participate in the growth of one of the world's largest mining groups, having major industrial interests."

● In the UK "RTZ's financial and other support will enhance the benefits which can be achieved through the integration of Ward and Tunnel; there will be greater scope for developing the cement and other activities, as well as for profitable diversification."

● Overseas, "RTZ can offer its wide international experience and its capital resources to create new opportunities."

RTZ, which plans to acquire **Tunnel Holdings**, the cement manufacturer in which Ward has a large shareholding, said "we firmly believe that considerable benefits will follow from combining Ward's and Tunnel's cement businesses. This will create the second largest cement operation in the UK with a good geographical coverage and a market share of approximately 20 per cent.

Integrating the investment, marketing and development policies of the individual companies will result in both a saving of costs and a more competitive service to customers."

On the London stockmarket, Tunnel "B" shares fell 10p to 508p, Ward's shares fell 2p to 194p, while RTZ's rose 12p to 480p.

On November 26 S. G. Warburg, as an associate of Thos. W. Ward sold on behalf of discretionary investment clients 22,500 ordinary 25p registered shares of RTZ at 462p.

BCA to pay £3m for Maybank

British Car Auction Group, the motor dealing company headed by Mr David Wickins, has reached agreement for the proposed £3m purchase of **Maybank Enterprises**, a privately-owned company which the group is planning to use as a springboard for expansion into the service cleaning industry.

The deal is being done through **Attwood Garages**, BCA's 68.9 per cent-owned subsidiary, which requested a temporary suspension of its Stock Exchange listing yesterday pending the publication of reorganisation details. At the suspension price of 95p—the shares have risen from 81p at the beginning of the week—the company is valued at almost £2m.

The acquisition of Maybank—which is 70 per cent owned by Maybank family trusts—is to be financed by an issue of about 4m Attwood shares, on the basis of three Attwood shares for every Maybank share. About half of the shares to be issued are to be placed on the stock market.

Following the issue BCA's holding in Attwood would be diluted to about 27 per cent. Mr Wickins said yesterday that BCA did not want to be the majority shareholder in Attwood but the group would like to take its stake back up to around 40 per cent, through share purchases, which would still give BCA effective control.

Maybank's business comprises gravel merchanting and waste disposal interests. It has gravel reserves worth some £80m and disposes of rubbish for the GLC and British Rail.

Mr Wickins has said that he believes service cleaning will be the growth industry of the future and predicts it will make up 50 per cent of BCA's business in five years' time.

Maybank, which has 300 employees last year made pre-tax profits of £109,000 on a turnover of £2m.

Attwood's deal with Maybank marks a substantial diversification away from the company's original plans.

When BCA acquired its controlling stake from the Attwood family in November 1980 the group's intention was to develop Attwood's garage business. At the time Mr Tom Marriot, an associate of BCA, acquired a 9.87 per cent stake in Attwood and became its chief executive.

Mr Marriot, a former BCA executive before setting up his own motor distributorship in Surrey, had intended to inject his private Talbot dealership into Attwood. But the deal never took place and he left the company earlier this year.

Rediffusion figures as expected

DESPITE LOSSES incurred by its European subsidiaries, **Rediffusion** reports results generally in line with expectations for the half-year to September 30, 1981. Pre-tax profits of this subsidiary of the British Electric Traction Company rose from £6.97m to £7.54m. Turnover improved substantially from £107.77m to £120.35m.

The interim dividend is unchanged at 1.25p — last year's total was 5.5p from pre-tax profits of £19.24m (£17.12m).

The board says Rediffusion CMC Europe incurred losses because of the depressed market conditions.

First-half trading profits of the group were down from £8.32m to £6.32m, but interest charges were well down at £505,000 compared with £2.56m. Associates' profits were up from £1.21m to £1.73m. After tax of £4.39m (£4.19m), stated earnings per 25p share improved from 3.3p to 3.7p.

The sale, subject to governmental approvals, of the computer operations carried on in continental Europe by subsidiaries of Redifon CMC Europe BV, was announced on November 24, 1981. Rediffusion's computer activities are now concentrated in the UK subsidiary, Rediffusion Computers.

Rediffusion is a TV rental and electronics group, and among its other interests it owns Wembley Stadium and conference hall, and has a 50 per cent holding in Thames Television.

See Lex

Tomkinsons Carpets 160% surge

ASSISTED BY the elimination of interest charges, pre-tax profits of **Tomkinsons Carpets** soared 160 per cent to £355,000 in the 53 weeks to October 3 1981. In the previous year, interest charges were £83,000. The dividend is raised from 2p to 3p net.

This is the third successive year in which the company, carpet manufacturer and spinner, has reported increased profits despite what Mr J. Lancaster, the chairman, describes as one of the bleakest times in living memory. Turnover improved from £11.31m to £12.91m, and he says this reflects the growing demand for the group's products.

Trading in the first eight weeks of the current year has continued at a high level. However, the home market remains difficult, the chairman says.

Trading profits were up from £225,000 to £350,000 and interest receivable was £5,000. As a result of the release of deferred tax amounting to £238,000, there was a net tax credit of £61,000 (£71,000 charge). Attributable profits emerged at £416,000 compared with £13,000 — the comparable figure included £53,000 extraordinary debits.

Stated earnings per 25p share before tax improved from 4.8p to 12.5p; from 2.3p to 14.6p after tax and before extraordinary item; and from 0.5p to 14.6p after.

● comment

Tomkinsons Carpets looks unique. BMK has called in the liquidators, Homfray the receivers, but Tomkinsons is reporting a further significant recovery with a 160 per cent profits rise. The performance is little short of amazing in industry terms but a few factors can be isolated to offer some key to its performance. Tomkinsons is split roughly 50:50 between tufted and woven but in both areas it aims for the middle to upper price bracket, away from the worse of price cutting and import penetration. Also 20 to 25 per cent of its business is in the more resilient contract sector — including exports—and the balance sheet is sound. At the year-end the company was sitting on cash of £300,000. Not surprisingly the shares jumped 10p to 63p yesterday where a fully taxed p/e of 10 and yield of 7.1 per cent must leave them very firmly placed.

Howard Tenens interim cut 33%

ALTHOUGH TAXABLE profits of **Howard Tenens Services** have doubled to £308,000 in the half year to September 30 1981, against £153,000 last time, this distribution and engineering services concern is cutting its net interim dividend by a third from 0.75p to 0.5p per 25p share.

After tax of £56,000 (nil) and minorities of £54,000 (£13,000) the attributable surplus was ahead from £140,000 to £198,000. Stated earnings per share rose by 0.37p to 1.25p.

The second six months is expected to produce an attributable profit not less than that for the first half, says Mr E. C. Morris, the chairman, assuming there are no major industrial problems within the motor industry which remains the company's largest customer.

For the year ended March 31 1981, the attributable profit was £148,000 (£709,000).

First-half 1981-82 turnover amounted to £9.29m, against £10.62m. The pre-tax figures were after redundancy and reorganisation costs of £173,000 (£117,000) and interest of £304,000 (£376,000), but associates earnings improved from £116,000 to £152,000.

● comment

A substantial cutting of the labour force has chipped away at overheads and allowed Howard Tenens to stage a partial recovery. Adding back redundancy costs interim profits are £480,000—78 per cent higher than the comparable period and more than double the previous six months. So the decision to cut the interim dividend by a third looks a little incongruous. Yet the forecast of second half earnings "not less" than those of the interim is made after all the years' anticipated redundancy costs of £173,000 have been offset against the first half. So second half trading profits could be a third down on the first six months. The company says the interim payout gives no clue as to the final. Taking an optimistic, and probably very unlikely, payout for the year of 2.28p net—fully restoring th dividend—the yield is around 5 per cent. That seems scant support for the price at 62p where the p/e is 25 fully taxed and adding back the redundancies.

Eastern Produce declines

A SLIGHT fall from £892,000 to £825,000 in pre-tax profits is reported by **Eastern Produce (Holdings)** for the half-year to June 30 1981. Turnover of this tea, rubber, copra and cocoa planter—currently bidding for **Blantyre Tea Holdings** — improved from £8.29m to £10.37m.

Group profits and investment revenue improved by £17,000 to £397,000, and associates' profits fell from £512,000 to £428,000. Tax was up from £422,000 to £516,000, of which £360,000 (£280,000) was in respect of foreign operations. There was an extraordinary debit of £37,000 (£62,000 credit).

The half-year results do not include a contribution from Unichrome Industries, the offer for which was declared unconditional on October 5 1981.

The interim dividend is unchanged at 1.4p net—last year's total was 4.62p, and stated earnings per 50p share fell from 4.3p to 2.52p on a net basis, and from 4.66p to 3.09p on a nil basis.

● comment

First-half figures of **Eastern Produce** to June 30 show an increase in turnover of 25 per cent to £10,374,000, partly attributable to results from a new Kenyan subsidiary and the Walker Frampton insurance business. However pre-tax profits are down 7.5 per cent to £825,000 and here weaker prices in tea and coffee have been blamed. The descent from the heady days of 1977-78 and ACT problems have led the company to attempt diversification away from the soft commodity market and into the UK, but 1982 will be a better judge of the value to the company of Unochrome. The share price remained at 70p on the day where the historic yield is 9.6 per cent.

ABBEY LIFE

Through its broker division and sales associates, **Abbey Life Assurance Company** has topped £100m with its 1981 single premium business.

Some £51m of this was in insurance bonds, £35m of which was invested in Abbey Property Fund. The remaining £49m was placed in income bonds and annuities.

Arenson chief optimistic

In his annual report, Mr Archy Arenson, the chairman of **A. Arenson (Holdings)** expresses cautious optimism that at the end of the current year he will be able to report an improved position for the year as a whole.

For the 12 months ended July 31 1981, pre-tax profits of this office and domestic furniture manufacturer, dived from £1.53m to £67,681, as reported November 11.

Mr Arenson says the chief reason for this optimism lies in the anticipated outcome of work that has been carried out on new products and in new markets during the past year and in the first few months of the current period.

ISSUE NEWS

'Unlisted' placing for Hayters

HAYTERS, manufacturer of rotary lawn mowers for the domestic and local authorities markets is coming to the Unlisted Securities Market through a placing by brokers, Earnshaw Haes and Sons, of 404,980 £1 shares at £1.50 per share.

The placing comprises 17.3 per cent of the equity and the group as a whole will be valued at £3.5m. The founder and non-executive chairman Mr Douglas Hayter and his wife, will hold 27.97 per cent of the shares after the placing and boardroom interests, under direct control and trusts, will amount to about 53 per cent.

The placing has been arranged, the group explains, to obtain a "readily ascertainable value for the company's ordinary shares." No new funds will be raised, but the board believes it has the resources to diversify into compatible or related products.

Its profits in the year ended September 30 are estimated to have reached £722,000 before tax and exceptional charges of £96,000 which result from stock losses on specially designed welding sets—a small adjunct to the mainstream grass cutting business—for the Iranian market.

After these exceptional items, unaudited pre-tax profits of £626,000 compares with £687,000, and £831,000 in the year before that. The year ended September 1979 was a boom period, the group explains, when the summer weather—a vital determinant of demand—was ideally suited to heavy grass cutting machinery sales. The weather in the second half of the following year was poor and, subsequently, the local authorities market has been cut back by central Government cash limits. Sales last year fell by £110,000 in value last year to £5.56m.

Hayters expects to pay dividends totalling 10.5p per share in respect of the last financial year which would be covered 1.77 times on an historic cost basis.

Dealings are expected to start on Friday, December 4. Expenses of the issue are estimated at £105,000.

● comment

If the funds are looking for income to add to their small business portfolios, Hayters is going to be in demand next week. The projected yield is a comfortable 10 per cent and the placing price is amply cushioned by assets of 267p per share. The group has a long established and useful niche above the fiercely competitive mainstream of the grass cutting market but the emphasis has been on maintaining rather than expanding profits. It has been taking the first steps toward breaking what has become rather a long plateau and, with stringent attention to working capital, can now deploy net cash of some £1.5m in the search for related acquisitions. The deal which Hayters eventually strikes and even, perhaps, the character of the forthcoming board appointments may well determine its success in breaking the dependence on Britain's fickle summer weather. That's for the medium term. For the moment, the shares should trade securely in what must inevitably start as a very thin market.

Backing for Concord Rotaflex

Electric light manufacturer **Concord Rotaflex** proposes to raise £1.2m gross by way of issues at par of £0.5m of 9½ per cent convertible cumulative redeemable £1 preference shares and £0.7m of 11½ per cent cumulative redeemable £1 preference shares.

Equity Capital for Industry has agreed to subscribe for all of the shares to be issued, subject to the approval of shareholders at an EGM on December 23.

Mr Michael Frye, chairman of Concord, is forecasting a profit before tax in 1981 of £1m compared to a loss of £1.2m last year, and undertakes to pay a final dividend of 1.4p, making 2p for the year compared with 0.1p.

Concord's results deteriorated in the third quarter but its performance is said to be improving in the fourth. In spite of an improvement in the group's ability to generate cash, it would be some time, in the absence of an injection of new capital, before a significant reduction could take place in the current high level of capital gearing. Net borrowings stood at £5m on November 5.

The board considers the terms are favourable and in the best interests of shareholders in circumstances in which it would not have been appropriate to make a rights issue. Concord has been advised by Hill Samuel.

The preference shares are convertible at the rate of one ordinary for every 58p of preference capital from June 1985 to 1992. There is provision for earlier conversion if planning permission for a redevelopment scheme is granted on the company's property at 241 City Road, London EC1.

Concord shares gained 1p yesterday to 50p.

Results due next week

A recent improvement in downstream activities has led the market to expect a second half recovery at **British Petroleum**. Net income in the third quarter, which will be reported on Thursday for the three months ended September 30, is projected to land in the £250m to £300m range, against £208m. The large losses in the downstream activities have been reduced, thanks to a decline in crude costs, stabilised prices and little further shrinkage in volume. If sterling holds steady in the fourth quarter, downstream operations could break even. The market expects full-year net income of between £1.1bn and £1.2bn, against £1.4bn last year and much stronger growth in 1982. With stock losses now possible for the fourth quarter, underlying profit could soon exceed net reported income.

Next week analysts of the electrical sector ought to be working double time, processing three major sets of interim results. **Ferranti's** figures on Wednesday are widely expected to show pre-tax profits of £8.5m, heading for between £22m and £25m next March as the group begins to work its way deeper into the orderbook. Growth of 25 per cent this year may subsequently taper off if—as expected—the Tornado programme is stretched out for longer at reduced rates of output. GEC and Plessey, both reporting on Thursday have still more imposing stockpiles of military orders. In looking to **Plessey** for £47m to £50m for the first half, the market assumes that increased PABX deliveries will have lifted what used to be a slack quarter into line with the first three months. One hundred million pounds for the year is near the lower edge of the target. GEC should record something between £220m and £240m pre-tax, although it could be more if export momentum in defence electronics has been conserved. There is also loss-elimination coming through on the consumer side. Pre-tax profits could be significantly higher than this estimate suggests, if translation gains on GEC's massive foreign balances are taken as an adjustment above the line in (accordance with the accounting policy of previous years). A conservative forecast for the year would limit GEC to £550m before tax, 17 per cent ahead of 1980-81.

At the annual meeting in early September, the chairman of **Pilkington** warned that trading conditions in the first half, five months of which had then elapsed, had been much worse than expected and redundancies were being accelerated. The group's interim results will appear on Wednesday and although the shares rose sharply yesterday, no one is expecting any significant change in the message from St Helens. UK operations are still depressed and the fibreglass reinforcement side has probably deteriorated. Estimates of pre-tax profit vary widely from £25m to £35m mainly because of uncertainities about the cost of redundancies—one analyst is expecting a £17.5m charge. Profits will be boosted by a first-time interim contribution from Flachglas, which is thought to be holding up well, and maintained licence income, thanks to currency movements.

In the document presenting its formal offer for Berec last month, **Hanson Trust** revealed that its profits were up 21 per cent to £40m in the first 10 months of its year to September. Full year profits, which are to be announced on Tuesday, are likely to be slightly better than £45m compared to £39.1m last year. Declines in the UK industrial businesses, especially the thread and yarn producer, Barbour Campbell, are being offset by maintained profits on the established U.S. companies plus a large first-time contribution from McDonough. At the time of the convertible loan stock rights issue in July, the directors forecast a 13 per cent increase in the final dividend to 5.38p.

Allied-Lyons' interim figures to mid-September are expected to show about £60m at the pre-tax level, as against £50.5m. The hidden factor of property realisation should nevertheless be substantially down on last year's £6.7m. Beer sales have been picking up from a very low base with benefits coming from reductions in overheads. The strong orientation to U.S. earnings has resulted in a favourable currency effect, but these improvements are only enough to get the company back to the levels of two years ago. The interim dividend is expected to be maintained at 2p.

Among other results due next week are preliminary figures from **MEPC** on Tuesday and **Royal Bank of Scotland** on Thursday. **Charter Consolidated** reports interim figures on Tuesday and **Phoenix Assurance** publishes third quarter figures on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
British Benzol Carbonising	Tuesday	—	—	—
Cardiff Property Co.	Tuesday	0.6	1.0	0.6
Carr (John) Doncaster	Monday	0.53333	0.93333	0.53
Causton (Sir Joseph)	Thursday	0.7836	1.2275	0.7836
Cooper (Fredk.) Holdings	Friday	0.375	1.0	0.5
Dundee & London Investment Trust	Wednesday	1.25	2.6	1.25
Greenall Whitley	Thursday	1.5	1.625	1.6275
Hanson Trust	Tuesday	3.75	4.75	4.25
Irish Distillers Group	Wednesday	0.88	2.18	0.88
Keystone Investment	Wednesday	3.25	7.25	4.0
Leeds & District Dyers & Finishers	Tuesday	1.0	2.0	1.0
MEPC	Tuesday	1.75	4.0	2.0
Royal Bank of Scotland Group	Thursday	2.2	2.7	2.4
Stanelco	Thursday	—	—	—
Trans-Oceanic Trust	Thursday	0.83333	1.5	0.83333
United Wire Group	Thursday	2.2	3.55	2.2
INTERIM DIVIDENDS				
Allied Lyons	Tuesday	2.0	3.0	
Atkins Bros. (Hosiery)	Tuesday	1.0	3.65	
Brady Industries	Monday	1.5	2.75	
Bremner	Monday	1.15	3.15	
Burnett & Hallamshire Holdings	Thursday	4.85	6.4	
Castings	Thursday	0.42	2.0	
Cawoods	Thursday	1.4	2.5	
Chamberlain Phipps	Monday	1.1	2.0	
Charter Consolidated	Tuesday	3.4	6.6	
Crosby Woodfield	Thursday	—	0.05	
Dawson International	Thursday	2.0	2.5	
Dixon (David) & Son Holdings	Tuesday	2.22	7.73	
Ferranti	Wednesday	2.5	4.0	
Fine Art Developments	Thursday	1.1	1.55	
General Electric Co.	Friday	3.0	7.0‡	
Gordon & Gotch Holdings	Thursday	3.5	6.75	
Hall (Matthew)	Wednesday	0.987	3.276	
Hargreaves Group	Tuesday	1.6	1.15	
Hickling Pentecost	Monday	2.0	4.0	
Highams	Tuesday	0.804	2.779	
Leigh Interests	Thursday	1.83	3.8	
Marshalls Halifax	Monday	1.0	3.5	
MK Electric	Monday	5.0	7.0	
Moorgate Mercantile Holdings	Tuesday	0.25	0.85	
Ocean Wilsons (Holdings)	Tuesday	0.76	1.85	
Pauls & Whites	Thursday	1.75	4.75	
Pilkington Bros.	Wednesday	5.0	5.5	
Rexmore	Tuesday	0.5	0.5	
Routledge & Kegan Paul	Tuesday	0.18125	0.425	
Rowlinson Construction	Thursday	—	3.0	
Sangers Group	Thursday	2.8	3.75	
Scapa Group	Tuesday	1.8	—	
Sheffield Refreshment Houses	Wednesday	0.7	1.7	
Sogomana Group	Monday	3.0	7.0	
Tecalemit	Tuesday	1.0417	1.0417	
UKO International	Friday	2.0	3.0	
W.G.I.	Monday	3.0	3.0	
INTERIM FIGURES				
Belhaven Brewery	Friday			
British Petroleum	Thursday†			
London & Overseas Freighters	Wednesday			
Morgan Crucible	Thursday†			
Phoenix Assurance	Wednesday†			
Plessey	Thursday			
Sumrie Clothes	Friday			
Thorpac	Wednesday			

*Dividends shown net pence per share and adjusted for any intervening scrip issue. † Third quarter figures. ‡ Includes a non-recurring dividend of 2.5p.

UMMARY OF THE WEEK'S COMPANY NEWS

and deals

a dawn raid on Tuesday, **Bath and Portland**, the construc-
d civil engineering concern, acquired a 14.9 per cent stake
ham Millar at 33p per share and subsequently launched
er offer at the same price to increase its holding to 29.9
nt. Braham Millar was already in receipt of a 30p per
cash offer from **Fieldwood**, which has so far accumulated
per cent stake in the company.

ealings in **Ductile Steels** were suspended on Monday at 94p
company's request after the steel re-rollers and tube
acturers had been informed that an offer might be made
group. **Caparo Industries**, the fast-expanding industrial
g group, has built up a 20 per cent stake in Ductile and is
red to be the likely bidder.

eron **Motor Group**, received an approach from **Heron**
ation, its parent company, which may result in an offer
made at 28p per share for the outstanding 32 per cent of
uity. The intimated offer values the minority holding at
and the entire HMG capital at £11.13m.

astern **Produce** raised its offer for **Blantyre Tea** from 69p
p per share following the purchase of an 11.78 per cent
in the tea estate owner at the higher price. The increased
lues Blantyre at £1.8m.

nited **Engineering Industries** is set to double its number
res in issue with an agreement to buy **Micro Consultants**,
the largest privately-owned electronic companies in Britain,
leal worth £53.3m. UEI is to issue 26m shares to Micro
ltants which will end up with 49.5 per cent of United's
ed capital.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
	120●§	129	94	68.17	Hanson Trust
	137	129	116	91.46	Tilling (T.)
re Tea	90½*§	90	69	1.05	Eastern Produce
n Millar	30*	30	23	3.77	Fieldwood
Bros.	30*	28½	25	4.26	Dana Corp.
fices	137½	131	110	36.86	Greycoat Estates
P'b'ro	56½	41	42	7.45	Jenks & Cattell
nza	130*§	140	130	94.3	Rothschild Invest. Trust
Trust¶¶	146*§✝	154	127	9.84	Courtaulds Pensn. Fund
Hldgs.	200*	200	195	4.80	Gen. Tire & R. SA
Motor Grp.	28*§	29½	23	3.56	Heron Corp.
s Footw.r¶¶	160*	155	144††	9.82	George Oliver (Footwear)
ingham p Ord.	226*	224	89††	24.28	Tarmac
Hoveringham Group R.V.	196*	194	77††	15.80	Tarmac
Howden (Alex.)	157	137	142	142.80	Alexander and Alexander Srvs.
Pyramid (Pbshs.)	60*	57	60††	1.2	Starwest Inv.
Wassall (J. W.)¶¶	29*	32	31	0.31	Benson Shoe
Ward (T. W.)	190●	194	144	110.88	RTZ

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on November 27 1981. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ✝ Minimum cash offer. ● Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Brockhouse	Sept	1,960L	(757)	—	(—)	1.0	(3.0)
Burton Group	Aug	16,370	(12,630)	17.9	(14.0)	6.5	(5.5)
Castelfield Rbr.	June	1,100	(781)	22.2	(14.9)	14.0	(6.0)
Comet Radiovsn.	Aug	7,210	(6,440)	16.6	(15.4)	4.0	(3.82)
Concentric	Sept	1,030	(1,180)	4.8	(3.7)	3.31	(3.31)
Killinghall Rbr.	June	212	(175)	15.1	(11.1)	14.0	(14.0)
Kwik Save Discnt.	Aug	19,340	(15,240)	20.1	(10.4)	5.0	(4.0)
Long & Hambly	July	1,240L	(193)L	—	(—)	—	(—)
RHM	Sept	45,300	(32,000)	11.2	(7.1)	3.86	(3.65)
Spring Grove	Oct	3,570	(3,850)	8.0	(13.5)	4.0	(4.0)
Talbex Group	July	115L	(399)L	—	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aero Needles	June	161L	(100)	—	(—)
Anderson Strath.	Sept	4,090	(2,820)	1.1	(1.0)
Assoc. Leisure	Sept	2,340	(3,240)	1.8	(1.8)
Avana	Sept	3,610	(2,010)	2.4	(2.0)
Barker & Dobson	Oct	332	(158)L	—	(—)
Billam (J.)	June	324	(364)	1.4	(1.4)
BPB Industries	Sept	29,760	(20,800)	4.5	(4.0)
Brickhouse Ddly.	Sept	550	(914)	0.95	(0.95)
Buckley's Brwy.	Sept	562	(511)	0.7	(0.7)
Century Oils	June	32,090	(24,480)	1.0	(0.8)
Carless Capel	Sept	1,160	(2,850)	1.0	(1.0)
Comtech	Sept	(578)L†	(—)‡	—	(—)
Cocksedge	Sept	267L	(200)L	—	(—)
Courtaulds	Sept	20,500	(2,800)	1.0	(—)
Dentsply	May	956L	(418)L	—	(—)
Dundonian	Sept	1,220	(833)	1.75	(1.0)
Dunhill (Alfred)	Sept	2,090	(1,310)	5.0	(4.0)
Elswick Hopper	July	282L	(405)	—	(0.52)
Energy Capital	June	137L	(10)L	—	(—)
Estates & Agency	June	62	(29)L	—	(—)
Extel Group	Sept	1,600	(1,200)	2.5	(2.25)
Foster (John)	Aug	549L	(748)L	0.5	(0.5)
French Kier	June	4,450	(3,750)	1.1	(0.95)
Heath (C. E.)	Sept	7,360	(5,070)	3.6	(3.1)
Hinton (Amos)	Sept	1,090	(422)	2.4	(1.8)
Holden (Arthur)	Sept	907	(1,090)	2.0	(2.0)
Humphries Hldgs.	Sept	184	(440)	—	(—)
Intl. Paint	Sept	16,500	(11,500)	2.0	(0.96)
Jenkins (Robt.)	Sept	25	(169)	7.0	(7.0)
Johnson Matthey	Sept	23,140	(19,640)	3.0	(3.0)
Lndn. & Liverpool	Sept	663	(246)	0.75	(0.5)
Mansfield Brewy.	Oct	4,040	(2,720)	1.5	(1.08)
Metal Box	Sept	18,700	(19,900)	5.04	(4.2)
NMC Invs.	Sept	27	(22)	—	(—)
Nova Jersey	Sept	330	(299)	2.5	(2.0)
Old Swan Hotel	Oct	93	(81)	0.4	(0.4)
Parkland Textile	Aug	130	(26)	1.6	(1.6)
Prop. Partnrshps.	Sept	347	(356)	2.5	(2.25)
Redland	Sept	21,000	(23,070)	2.67	(2.67)
Rothmans Intl.	Sept	52,600	(40,300)	1.15	(1.0)
Security Centres	Sept	312	(175)	0.8	(0.5)
600 Group	Oct	1,980	(2,350)	2.34	(2.34)
Sound Diffusion	Sept	350	(224)	—	(—)
Thwaites (D.)	Sept	2,200	(2,000)	1.0	(0.8)
Transparent Ppr.	Oct	956L	(141)	—	(—)
Triplex Foundries	Sept	371L	(891)L	—	(—)
Tunnel Holdings	Sept	8,760	(7,530)	6.0	(3.5)
UGI	Sept	1,160	(767)	1.4	(1.4)
Victoria Carpets	Sept	49	(391)L	—	(—)
Vinten Group	Sept	852	(485)	0.7	(0.5)
Watson (Kelv. R.)	Sept	212	(201)	1.3	(1.3)
Wedgwood	Oct	3,970	(1,650)	1.75	(0.88)
Wheeler's Rstrnts.	Oct	173	(237)	1.55	(1.55)
Ward (Thos. W.)	Sept	18,050	(15,650)	2.6	(2.41)

(Dividends in parentheses are for the corresponding period.)
* Dividends shown net except where otherwise stated. † Net deficit. ‡ No comparable figure. L Loss.

Offers for sale, placings and introductions

Computer and Systems Engineering—Is changing over from a 163 (2) (a) listing to a Full Quote via an offer for sale of 2.5m shares at 225p per share.

Equipu—Is coming to the Unlisted Securities Market by way of a placing of 800,000 10p shares at 80p per share.

Moray Firth Exploration—Is to begin trading under rule 163 (3) following a cash call to its shareholders.

NMW Computers—Plans to come to the Unlisted Securities Market.

Saxon Oil—Is to come to the Unlisted Securities Market by way of an introduction.

BASE LENDING RATES

A.B.N. Bank	15 %	Grindlays Bank	‡15 %
Allied Irish Bank	15 %	■ Guinness Mahon	15 %
American Express Bk.	15 %	■ Hambros Bank	15 %
Amro Bank	15 %	Heritable & Gen. Trust	15 %
Henry Ansbacher	15 %	■ Hill Samuel	§15 %
Arbuthnot Latham	15 %	C. Hoare & Co.	†15 %
Associates Cap. Corp.	15 %	Hongkong & Shanghai	15 %
Banco de Bilbao	15 %	Knowsley & Co. Ltd.	15½%
BCCI	15 %	Lloyds Bank	15 %
Bank of Cyprus	15 %	Mallinhall Limited	15 %
Bank Street Sec. Ltd.	16 %	Edward Manson & Co.	16 %
Bank of N.S.W.	15 %	Midland Bank	15 %
Banque Belge Ltd.	15½%	■ Samuel Montagu	15 %
Banque du Rhone et de la Tamise S.A.	15½%	■ Morgan Grenfell	15 %
Barclays Bank	15 %	National Westminster	15 %
Beneficial Trust Ltd.	16 %	Norwich General Trust	15 %
Bremar Holdings Ltd.	16 %	P. S. Refson & Co.	15 %
Bristol & West Invest.	17 %	Roxburghe Guarantee	15½%
Brit. Bank of Mid. East	15 %	E. S. Schwab	15 %
■ Brown Shipley	15 %	Slavenburg's Bank	15 %
Canada Perm't Trust	15½%	Standard Chartered	‖15 %
Cavendish G'ty T'st Ltd.	15½%	Trade Dev. Bank	15 %
Cayzer Ltd.	15 %	Trustee Savings Bank	15 %
Cedar Holdings	15 %	TCB Ltd.	15 %
■ Charterhouse Japhet	15 %	United Bank of Kuwait	15 %
Choulartons	16 %	Whiteaway Laidlaw	15½%
Citibank Savings	¶15 %	Williams & Glyn's	15 %
Clydesdale Bank	15 %	Wintrust Secs. Ltd.	15 %
C. E. Coates	15½%	Yorkshire Bank	15 %
Consolidated Credits	15½%		
Co-operative Bank	*15 %		
Corinthian Secs.	15 %		
The Cyprus Popular Bk.	15 %		
Duncan Lawrie	15 %		
Eagil Trust	15 %		
E. T. Trust Limited	15½%		
First Nat. Fin. Corp.	18 %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	15 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 13%, 1-month 13.25%. Short term £8,000/12 months 15.60%.
† 7-day deposits on sums of £10,000 and under 13%, up to £50,000 13½% and over £50,000 14%.
‡ Call deposits £1,000 and over 13%.
§ Demand deposits 13%.
‖ 21-day deposits over £1,000 14%.
¶ Mortgage base rate.

Property & Reversionary marginally lower midway

AL income of the **Property Reversionary Investment** ration improved from to £1.2m for the half year tember 30 1981, but lower st receivable of £141,000. t £202,000, marginally sed profits at the pre-tax which emerged £8,000 down 9,000.

net interim dividend is ained at 1p per 25p share— ear a final of 2p was paid. year stated earnings per were 2p (2.1p).

credit was taken during period under review for st on the amount invested industrial site which is developed jointly with orough Property Holdings. he six months to end- mber 1981 the sum invested averaged approximately . It is estimated that some t from this development will in the second half.

o transfer to revenue was e to offset the loss of income caused by the charging to revenue of outgoings attributable to properties in the course of development. The fall in interest receivable was due to the continued development programme.

Tax for the half year took £467,000 (£469,000) and after extraordinary credits of £463,000 (£208,000) arising from the disposal of short term investments and investment properties, profits came through at £915,000 (£646,000).

The offer for Melbourne House, Aldwych, has now closed with 100 per cent acceptance, and some 5.46m P and R ordinary shares will be issued. Acceptances of the separate cash offer by N. M. Rothschild have been received in respect of 2,169 new ordinary shares in P and R.

A provision has been made for the accepting Melbourne shareholders to receive the full dividend for the year although no income will arise from this source until the date of acquisition.

Wormalds falls deeper into red at year end

th turnover down from n to £1.02m, **Wormalds**, er and **Atkinson**, blankets oollen cloths manufacturer, ts an increased pre-tax loss 26,975, against £63,726, for ear to August 31, 1981. At ay the deficit was £72,518, ared with £68,251.

ere was again no tax charge he half year and extraary debits, relating to reancy and reorganisation totalled £35,028 (£8,792).

directors state that before nd of the period there was nce that customers were no r destocking and some imment in demand enabled a ay working week to be ed in the early autumn. vever, last month a major customer informed the company of further reductions in requirements and short-time working has again been introduced.

Against this background it has been necessary to declare further redundancies and the workforce will accordingly be reduced to a total of around 135 employees, compared to 200 in June.

Despite losses in recent years the financial position is reasonable and the company has adequate resources to support trading at the reduced levels now being experienced. Although volume is substantially reduced the order book shows there remains a continuing demand for the company's products both in the UK and overseas.

In these circumstances the board is actively investigating the possibilities of cooperation with other businesses in the wool textile industry.

Meanwhile it is the opinion of the board and its advisers that it would be in the best interests of shareholders for the company to continue to promote its current trading.

ASSOCIATES DEALS

Alexander and Alexander Services yesterday bought 75,000 shares in **Alexander Howden** at 138p and 50,000 at 139p, making its holding 8.9m shares (9.76 per cent).

Capital & Counties earns more

ALTHOUGH INTEREST charges at **Capital and Counties** trebled to £1.22m, a much lower tax charge of £0.46m, against £1.03m, helped the group to increase net revenue from £2.27m to £2.58m for the six months to September 29 1981.

Stated earnings per 25p share were ahead from 2.96p to 3.35p and the net interim dividend is being stepped up by 0.2p to 1.2p per share—the previous year's total payment was 3.4p on after-tax revenue of £6.16m.

At the operating level, first-half profits advanced from £4.44m to £5.06m, with increases from property investment and trading more than offsetting a reduction from housebuilding. The split was property investment £3.88m (£3.41m); property trading £626,000 (£486,000); housebuilding £376,000 (£589,000) and other activities £177,000 (£47,000 loss).

Pre-tax profits, however, showed a drop from £3.3m to £3.04m after interest as well as administration expenses of £888,000 (£762,000) and share from an associate of £85,000 (£31,000).

After all charges, including ordinary dividends of £921,000 (£767,000) retained revenue for the period came through at £1.65m, against £1.5m.

Mr K. H. Wallis, the chairman, says the letting market continues to be difficult with a substantial amount of new commercial and industrial space coming on to the market.

The effect on the company is to delay letting a number of its completed developments and the subsequent sales of those held for trading purposes.

Since September 29 its office development at 42-48 High Road, South Woodford, has been leased to Bupa and sold to a pension fund at a satisfactory profit.

Capital profits after tax amounted to £1.57m for the half-year, compared with £0.82m last time and £18.67m for the previous full year.

At the half-year, net assets attributable to ordinary holders totalled £139.68m (£136.46m at March 25 1981). Net assets per share rose from 178p to 182p.

TRAFALGAR HSE.

Stockbrokers L. Messel have acquired £2,521,000 of **Trafalgar House** unsecured loan stock 1994/99 at £58⅜ per cent for cancellation by the company. Messel in no longer standing in the market for the stock, of which £2,308,107 remains outstanding.

Fobel returns to profit with £0.2m at mid-year

FOLLOWING LOSSES in the second half of 1980, **Fobel International** has come back into profit with a pre-tax surplus of £200,421 for the six months to June 30 1981, compared with £133,069 last time. Turnover increased from £9.31m to £12.45m.

The board attributes the improvement to a much better performance from the Hong Kong electronics division and an increased contribution from the Canadian associate, assisted by the weak pound. UK trading, however, remained difficult and results were most disappointing.

There is no UK tax charge for the period. The interim dividend is being reduced from 0.95p to 0.2p net, but the board intends to restore the dividend to previous levels as soon as practicable—last year's final was 0.19p on total taxable profits of £36,091 (£1.04m).

Full-year prospects are for a very good performance by the electronics division and from Canada, partly offset by a disappointing year in the UK where the concentration has been on loss elimination and overhead reduction, leading overall to a respectable profit.

In the UK certain activities outside the core activity of DIY distribution are being run down and others are being disposed of. As a result, redundancy and closure costs will bear heavily on the final outcome of 1981.

However, the board says the action taken will be beneficial not only for 1982, but for the long term progress of the group.

Some progress has been made on the legal proceedings brought against a major U.S. retailer and commenced in 1978. An improved offer to settle has been made, which is being considered, but the board says this will still allow only part of the amount outstanding to be recovered. Even if negotiations are successfully concluded, a substantial write-off will result.

However, if Fobel accepts the offer, the board adds that a considerable sum will be received; the prospects of litigation stretching into future years if any decision is appealed will be eliminated; and an episode which has involved substantial legal fees and occupied considerable management time will be concluded.

Current year profits of the electronics division are likely to be on a scale which will allow the write-off to be absorbed without too great an impact and with the matter finished, the full potential of this division should be realised in 1982, the board states.

MEGGITT HOLDINGS

J. F. Nash has purchased a further 450,000 shares in MEGGITT HOLDINGS taking its total holding to 740,000 which is 17.07 per cent. Mr J. F. Nash joined the board of Meggitt on November 1.

Downs Surgical in loss

LOSSES HAVE again been incurred by **Downs Surgical**, maker of medical instruments. For the 24 weeks to September 15 1981 the deficit reached £119,000 at the pre-tax level, curtailed from £156,000 last time but reversing the subsequent second-half revival which brought £275,000 profits for the 1980-81 full year.

Mr N. G. Shove, the chairman, cautions that complete recovery may take a little longer than he had previously intimated, although he remains totally confident about the company's future success.

He refers to the seasonality of the business and describes the result as "not wholly unexpected."

Losses per 10p share are given as 1.13p (1.34p). The interim dividend, as last year, has been omitted—the total payout then was 0.6p net, cut from 1.6p.

Trends in export markets continue to be encouraging, and overall turnover advanced from £6.7m to £7.4m. However, the chairman says no great increase in UK sales of instruments and equipment can be expected while expenditure in the National Health Service remains at its currently depressed level.

As a result of exchange gains of £270,000 (£56,000 losses) and an extraordinary credit of £41,000 arising from the sale of its former Toronto premises, the company emerges £142,000 in the black at the attributable level, against a £256,000 deficit. Together with previous retained profits £3.66m (£3.78m) is carried forward.

The year-end accounts are expected to reflect the sale of Downs' Tabard Street factory.

Leopold Joseph slightly down

HOLDING THE net interim dividend at 1.875p, Mr Robin Herbert, chairman of **Leopold Joseph**, the investment holding company, reports that pre-tax profits for the six months to September 30, 1981, showed a slight fal.

This was partly because of a 4 per cent rise in short-term interest rates during the second quarter. However, the volume of business undertaken continues to improve, costs have been well contained and the directors look forward to another successful year.

SPAIN

November 27	Price %	+ or −
Banco Bilbao	338	
Banco Central	342	
Banco Exterior	310	
Banco Hispano	330	+6
Banco Ind. Cat.	115	
Banco Santander	371	
Banco Urquijo	217	
Banco Vizcaya	359	
Banco Zaragoza	216	
Dragados	147	−3
Espanola Zinc	65	
Fecsa	69	−0.7
Gal. Preciados	55	
Hidrola	79.2	−1.8
Iberduero	56.5	
Petroleos	100	
Petroliber	85	+2
Sogefisa	40	
Telefonica	79.5	
Union Elect.	74.5	−1.7

THE TRING HALL USM INDEX
116.5 (+0.6)
close of business 26/11/81
BASE DATE 10/11/80 100
Tel: 01-638 1591

CORAL INDEX
Close 530-535 (+8)

WORLD STOCK MARKETS

Wall St continues to rise

FURTHER GAINS were scored on Wall Street yesterday, when the few investors in the market consolidated their profits after the steep run-up of the prior two sessions—Thursday the market was closed for Thanksgiving Day.

By 1 pm the Dow Jones Industrial Average was up a further 5.04 to $883.18, making a rise of 30.25 over the holiday shortened week. The NYSE All Common Index, at $72.42, rose 27 cents on the day and $1.42 on the week, while advances led declines by a seven-to-five majority. Volume totalled only 22.83m shares, compared with 44.7m at 1 pm on Wednesday.

Analysts said the market is still receiving support from the decline in interest rates earlier in the week. Most major Banks dropped their Prime rate to 16 per cent this week. Chase went to 15[illegible] per cent and a group of three Wisconsin banks went to 15 per cent, the lowest level for the key rate all year.

The closely watched Federal Funds rate, on Overnight Loans between banks, also eased to a low of 12[illegible] per cent from Wednesday's close of 14 per cent.

The battle for Marathon continued to spark trading, with all three contenders posting gains. **Marathon** rose $[illegible] to $106[illegible] on heavy volume, Mobil $[illegible] to $26[illegible] and U.S. Steel $[illegible] to $30.

Among Blue Chip issues, IBM moved up $[illegible] to $53[illegible] and ATT $[illegible] to $60[illegible].

Merck advanced $2[illegible] to $85[illegible]—its Blocadren drug for the treatment of heart attacks won Federal approval on Wednesday.

Chelsea Industries gained $[illegible] to $8[illegible] after reporting higher earnings.

THE AMERICAN SE Market Value Index rose 5.69 to 329.05, making a rise of 10.94 on the week. Trading volume dipped 1.14m shares to 2.96m.

Closing prices for North America were not available for this edition.

Canada

Stock prices continued higher, with the Toronto Composite Index up 14.8 at 1,987.5 at mid-session.

One analyst said markets are in an upward cycle and should continue to edge upwards in the short-term.

Twelve of the 14 indices rose, with Oil and Gas up 48.5 to 3,893.7, Golds 42.4 to 3,128.9, Metals and Minerals 27.1 to 1,883.4 and Banks 2.42 to 366.05. But Real Estate lost 89.0 to 6,418.8.

Tokyo

Share prices fell sharply, led by Blue Chips and Export-Orientated isues, with many investors concerned over the recent sharp yen appreciation against the dollar and the high level of margin buying.

The Market Average lost 109.46 to 7,555.23 in active trading volume of 470m shares.

Australia

Prices firmed on busy trading in all sectors, with the Mining sector particularly strong and the Metals and Minerals Index gained 10.9 to 439.1.

Small and large investors were active buyers and trading was marked by the passage of several large lines including 5.6m Nylex shares, which jumped 33 cents to $A1.85.

EZ Industries moved up 24 cents to $A4.40. Adelaide Steamship added 15 cents at $A3, while **BMI Traded** rose 10 cents to $A1.90.

Peko-Wallsend jumped another 30 cents to $A6.

Claremont Petroleum, with a strong interest in the Jackson No. 1 well, traded over one million shares, closed 6 cents up at 43 cents, after 47 cents.

Vamgas and **RGC** each gained 10 cents to $A4.80 and $A9.80 respectively.

Bradmill shareholders waited for further details from Tootal of the UK about the sale of a subsidiary (which held 19 per cent of Bradmill's capital), to textile group **Bruck Australia** which has launched a $A28m bid for the shares it does not own.

A small parcel of Bradmill shares traded at 85 cents, 16 cents down on Thursday's closing price and 10 cents below Bruck's offer price.

Germany

Again higher, with dealers reporting growing investor confidence.

Foreign buying was evident during an active session which saw the Commerzbank Index rise 3.7 to 691.5.

In Motors, **Daimler** were DM 3.50 up at DM 341.50, **BMW** DM 5.50 to DM 197 and **VW** DM 2.50 to DM 130.30.

Hoechst slipped DM 0.70 to DM 125.50 on news of a one-for-10 rights issue.

In Electricals, **Siemens** rose DM 1.10 to DM 199.60 but **BBC** shed DM 2.90 to DM 205.80. Pharmaceutical **Schering** gained DM 3 to DM 289.

On the Domestic Bond Market Public Authority Loans closed mixed, with gains reaching DM 0.35 and losses DM 0.20. The Bundesbank sold DM 5.1m of stock in quiet trading.

Mark Eurobonds were steady.

Hong Kong

Market was encouraged by what brokers said were fairly good results from a land auction Thursday. Most leaders were well supported.

Paris

Firmer in moderate trading on continued demand from the Sicav Unit Trusts.

The demand reflects buying ahead of the New Year to benefit from tax concessions under the Monory Law.

Oils led the trend, with Raffinage gaining FFr 8.5 to FFr 95.5 after a brief suspension in heavy demand. Elf SA rose FFr 13 to FFr 209.

Other firmer sectors included Banks, Portfolios and Motors. Foods and Electricals were mixed, while Stores eased.

Foreign stocks were thinly traded and tended narrowly mixed.

Singapore

Firm on strong buying support in active selective trading. The Straits Times Index rose 14.80 to 744.10.

Metro rose S$1 to 9.00, **United Motor Works** 35 cents to S$5.55, **Hong Leong Finance** 30 cents to S$7.65 and **Singapore Finance** 28 cents to S$4.88.

Hotels, Properties, Commodities and the Second Trading section were also higher.

City Development resumed trading at S$3.52 and rose to S$3.78 before closing at S$3.70.

Switzerland

Generally higher in more active trading in response to hopes of a further easing of short-term interest rates. There was also some selective buying interest for recently depressed leading Industrials.

BBC in Engineerings, **Ciba-Geigy** and **Sandoz** in Chemicals and **Alusuisse** in Metals, showed good gains.

In higher Insurances, **Winterthur** Bearer and Registered traded firmer ex rights and ex dividend.

Domestic and Foreign Bonds held steady in moderate turnover. Kingdom of Sweden 7½ per cent rose in first day trading to 100[illegible] per cent from the par issue price.

Among Foreign shares, Dollar stocks traded on Wednesday's New York closing levels, with **Amax** and **Pennzoil** firmer exceptions.

German stocks were higher over a broad front. **BMW** Bearer were paid SwFr 158[illegible] on their first day of trading here.

Dutch Internationals were mostly firmer.

Indices

NEW YORK —DOW JONES

	Nov. 25	Nov. 24	Nov. 23	Nov. 20	Nov. 19	Nov. 18	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
♦Industr'ls	878.14	870.24	851.79	852.93	844.76	844.08	1024.05 (27/4)	824.01 (25/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	60.25	59.81	60.11	60.54	60.11	60.19	65.78 (15/1)	54.99 (1/10)	—	—
Transport.	384.56	382.04	378.12	378.52	374.00	376.33	447.38 (16/4)	355.48 (25/9)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	112.24	111.98	111.66	111.42	110.93	110.86	117.81 (5/1)	101.28 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	58,570	43,740	46,250	52,010	48,890	48,880	—	—	—	—

♦Day's high 884.99, low 870.72.

Ind. div. yield %	Nov. 23	Nov. 16	Nov. 9	Year ago (approx)
	6.51	6.48	6.51	5.49

STANDARD AND POORS

	Nov. 25	Nov. 24	Nov. 23	Nov. 20	Nov. 19	Nov. 18	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	139.97	137.44	135.13	135.19	134.01	133.37	157.02 (6/1)	128.49 (24/9)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	124.05	123.51	121.60	121.71	120.71	120.26	138.12 (6/1)	115.01 (24/9)	140.52 (28/11/80)	4.402 (1/6/32)

	Nov. 18	Nov. 11	Nov. 5	Year ago (approx)
Ind. div. yield %	5.41	5.29	5.18	4.22
Ind. P/E Ratio	8.18	8.36	8.51	9.69
Long Gov. Bond yield	12.68	13.25	13.60	11.95

NY. S.E. ALL COMMON

Nov. 25	Nov. 24	Nov. 23	Nov. 19	1981 High	1981 Low
72.15	71.85	70.91	70.36	79.14 (6/1)	64.96 (25/9)

Rises and Falls

	Nov. 25	Nov. 24	Nov. 23
Issues Traded	1,915	1,964	1,923
Rises	1,003	1,055	714
Falls	527	492	833
Unchanged	385	407	376
New Highs	30	25	33
New Lows	11	22	30

MONTREAL	Nov. 26	Nov. 25	Nov. 24	Nov. 23	1981 High	1981 Low
Industrials	337.18	334.18	332.65	330.99	405.66 (27/5)	310.21 (25/9)
Combined	319.31	316.65	315.57	315.40	375.28 (15/5)	293.97 (25/9)
TORONTO Composite	1972.7	1,952.5	1,933.4	1918.5	2378.8 (10/4)	1812.48 (25/9)

	Nov. 27	Nov. 26	Nov. 25	Nov. 24	1981 High	1981 Low
AUSTRALIA All Ord. (1/1/80)	585.5	580.0	568.1	565.6	767.3 (9/4)	545.8 (29/10)
Metal & Minrls (1/1/80)	439.1	428.5	414.5	408.0	736.2 (7/1)	404.5 (20/11)
AUSTRIA Credit Aktien (2/1/62)	54.82	54.88	54.85	54.81	66.43 (5/1)	53.64 (15/10)
BELGIUM Belgian SE (31/12/63)	73.17	72.90	72.56	72.18	86.15 (17/2)	63.63 (16/8)
DENMARK Copenhagen SE (1/1/73)	119.55	119.24	119.48	120.21	121.11 (19/11)	95.88 (2/1)
FRANCE CAC General (29/12/61)	90.60	89.80	86.60	87.60	112.5 (17/3)	77.3 (15/6)
Ind Tendance (31/12/80)	99.80	98.80	98.50	95.90	108.3 (10/3)	79.2 (12/6)
GERMANY FAZ-Aktien (31/12/58)	225.74	224.93	221.25	219.41	243.47 (5/7)	215.88 (8/2)
Commerzbank (Dec 1953)	691.50	687.90	677.20	667.70	749.9 (5/7)	686.4 (16/2)
HOLLAND ANP-CBS General (1970)	85.6	84.80	84.40	85.20	96.8 (20.8)	78.5 (28/9)
ANP-CBS Indust (1970)	62.50	62.10	61.90	61.60	76.4 (22/8)	61.5 (30/10)
HONG KONG Hang Seng Bank (31/7/64)	1451.07	1439.95	1426.68	1,386.0	1810.20 (17/7)	1113.77 (5/10)
ITALY Banca Comm Ital (1972)	157.24	186.29	193.60	192.30	282.06 (5/6)	166.44 (24/7)
JAPAN** Dow Average (16/5/49)	7555.23	7664.69	7660.79	7,602.7	8019.14 (17/8)	6956.62 (15/5)
Tokyo New SE (4/1/68)	554.99	565.04	562.65	560.55	605.92 (17/8)	495.79 (5/1)
NORWAY Oslo SE (1/1/72)	152.94	133.52	134.36	135.57	146.72 (6/8)	118.54 (3/6)
SINGAPORE Straits Times (1966)	744.10	729.32	728.32	725.64	873.25 (26/8)	616.28 (1/9)
SOUTH AFRICA Gold (1958)	594.5	598.4	587.7	568.9	797.6 (7/1)	475.6 (3/7)
Industrial (1958)	685.9	667.1	635.2	680.1	709.4 (21/10)	537.2 (5/2)
SPAIN Madrid SE (30/12/80)	128.77	129.0	129.40	129.37	146.15 (8/9)	100.46 (2/1)
SWEDEN Jacobson & P. (1/1/58)	623.35	620.05	613.00	611.57	660.51 (10/8)	484.17 (20/1)
SWITZERLAND SwissBankCpn. (31/12/58)	254.1	252.70	253.80	254.00	304.2 (2/4)	242.8 (17/11)
WORLD Capital Intl. (1/1/70)	148.1	—	147.7	145.5	162.8 (8/1)	133.8 (28/8)

(**) Sat Nov 21: Japan Dow (c), TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Comon—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
K Mart	1,344,300	15½	−¾
IBM	871,900	52⅝	+⅛
Beatrice Food	775,500	17⅞	+⅛
Marathon Oil	724,900	105½	−1¼
Exxon	677,900	32⅝	+⅛
Philip Morris	593,200	53½	−¼
Phil Pete	535,400	42⅝	+¼
Super Oil	517,800	37⅝	+¾
Pan Am. Air.	499,900	3⅞	+⅛
General Motors	496,300	36⅞	+⅜

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Financial Rand US$0.79½ (Discount of 34%)

...T RESTRUCTURING CLOSE TO COMPLETION

...Iarvester ends with $635m loss

PAUL BETTS IN NEW YORK

...NATIONAL Harvester, ...nancially troubled farm ...ment and truck manufac... yesterday reported a ...n loss from continuing ...ons in its final quarter ...al 1981 compared with a profit of $16.3m from ...ing operations in its quarter of fiscal 1980.

...s in the latest quarter ...ed from $2.2bn to $1.8bn

...company's losses from ...ing operations for fiscal increased from $374.8m ...ar to $635.7m. Sales rose $5.97bn last year to ...n in the latest year to ...r 31.

The company said yesterday that its results from continuing operations in the latest fiscal year "approximate very closely projections presented to the company's lenders when they met last September to consider the company's $4.1bn debt restructuring package."

Mr Archie McCardell, Harvester's chairman, said terms of the restructuring package were currently being finalised and "we intend to distribute signature copies to the banks next week."

Harvester reported that in the final quarter the net deficit after the loss from discontinued operations totalled $318.9m compared with a profit of $20.2m in the same period last year.

Harvester's net loss for the year after income from discontinued operations totalled $393.1m compared with $397.3m

The 1981 net losses include a $276m gain from Harvester's sale of its Solar Turbine division to Caterpillar Tractor and a write-down of about $32m on the value of mining properties which the company said it plans to sell. This write-down is included in the fourth-quarter net loss.

Harvester said the latest quarter was the "low point of the year for demand in the company's major markets." It said demand "continues low in agricultural equipment and medium trucks, but the outlook in heavy trucks appears a little brighter. The rate of incoming orders for heavy trucks is up and while we do not see a strong rebound in the near term we see clear indications of improvement."

But reduced order figures and soft market conditions will hurt operating results in the first quarter of fiscal 1982. "We do not foresee the company moving into profitability until at least the second quarter of the fiscal year," the company said.

...uth African ...ailer buys ...count chain

...es Kilalea in Johannesburg

...RS. ONE of South ...s leading retailers, is buy... ...he Ackermans fashion ...g discount chain from ...rmans Stores for about ($31m). The purchase ...s months of speculation on ...ohannesburg Stock Ex... after Edgars failed in its ...obtain control of Russels, ...e furniture retail chain, ...s in line with Edgars' ...ive of expanding its retail

...hough the deal is not yet ...eted, Greatermans has ...nced that the sale ...es a "substantial property ...lio." The final price will ...sed on Ackermans' finan... ...tatements for the period ...vember 28. Edgars will ...cash.

...ermans, which is believed profitable, operates 33 ...es in South Africa and ...ys about 1,600. The mer... ...se range is almost exclu... fashion clothing produced house labels. In the past it has been successful in ...g away from the discount of the market, with a ...ant improvement in turn... In the year to June 30 increased by more than 40 ...ent.

...gars is one of South ...a's most successful retail ...s, and its earnings have ...n at an annual compound of nearly 25 per cent in ...past six years.

Alusuisse to cut staff levels

BY JOHN WICKS IN ZURICH

ALUSUISSE, the Swiss aluminium producer which ranks as the sixth largest in the world, is to reduce its local white collar workforce by around 500.

The group has a total workforce of 45,000 of which 8,000 operate within Switzerland. However, the cuts at home represent a one-third reduction in this particular field for Alusuisse.

The reorganisation will affect the administration of the company's aluminium and mining divisions, head office staff in Zurich and parts of a number of research units in Switzerland.

The programme will be carried out over one to two years and be largely accounted for by restrictive recruitment policies, internal personnel transfers and early retirement. Alusuisse said that jobs would be affected "at all levels of the hierarchy below the very top."

Last week a letter to shareholders had forecast a substantial drop in parent company and group profits for the current year. This was attributed to the depressed state of the world aluminium market, where prices are at their lowest since 1978. The group, whose aluminium, production facilities have been running at only about 80 per cent of capacity, expects no early improvement.

Swiss operations, both manufacturing and administrative, have also been hit by the recent strength of the Swiss franc. This was one reason advanced for the reduction this autumn of production at the group's aluminium plants in the Swiss canton of Valais.

Another senior executive to leave Superior Oil

BY OUR NEW YORK STAFF

MR MICHAEL DUGGAN, the chief exploration officer of Superior Oil, one of the leading U.S. independent oil companies, resigned yesterday in what is the latest chapter in the recent saga of top management upheaval at the Houston-based oil company.

Mr Duggan is the second chief exploration officer to resign in barely thre months and is one of nine senior executives to leave Superior recently.

The latest management turmoil appears to have been sparked off when Mr Fred Ackman was appointed president of Superior last February. Mr Ackman was an outsider to the company coming from Exxon.

Mr Ackman subsequently replaced Mr Joseph Reid as chairman and chief executive at Superior last September. Mr Reid had held the top job for only four months.

In part, the management turmoil at Superior reflects the growing trend of senior executives of large independents and oil majors being attracted to smaller oil companies which offer them numerous fringe benefits including a direct interest in the oil and natural gas they discover.

Atco to sell oil interests

CALGARY—Atco is selling its oil and gas assets to Canadian Utilities for C$50m (U.S.$42m) worth of common shares of Canadian Utilities. Atco already owns 58.1 per cent of Canadian Utilities.

It said the oil and gas assets would be combined with the present non-utility operations of Canadian Utilities. These cover exploration, ethane and engineering interests. Atco said the consolidation of the assets, which include producing properties and undeveloped acreage, would provide for "significant expansion" into the energy field.

Agencies

Japanese to start European bond queue

By Alan Friedman

JAPANESE SECURITIES houses wishing to bring new corporate fund raising issues to European capital markets have agreed to operate a voluntary queueing system from next April.

The system, designed at the urging of the Japanese Ministry of Finance, is intended to avoid congestion in the Eurobond market and to improve the flow of Japanese issues in the wake of September's dramatic slump in prices.

The voluntary controls will include an adjustment of new issue volume every quarter, with a maximum amount of $1.5bn per quarter. So far this year the equivalent of roughly $3bn has been raised by Japanese companies.

In the Eurobond market only one issue per week will be considered. The various houses — Daiwa, Nomura, Nikko, Yamaichi and others — will co-ordinate among themselves the schedule.

At Daiwa, Mr Nobuo Yonetani, a director, commented: "We are very pleased to see a better understanding of the market among all parties concerned, including the Ministry of Finance."

Mr Yonetani said the new arrangement among securities houses should provide for a more orderly flow of paper and should avoid the kind of slump in prices which occurred three months ago.

In early September, after a flow of around $1.5bn in three months, prices of Japanese convertible Eurobonds—bonds which may be exchanged by the holder for shares in the company at a predetermined rate—lost as much as 20 per cent in a matter of days.

A planned $100m Eurodollar convertible issue for Toshiba, the electronics group, had to be postponed when lead-managers Credit Suisse First Boston and Nomura Securities advised the company that the issue would be inappropriate.

In recent weeks a few Japanese borrowers have returned to the Eurobond markets, offering paper in both the dollar and D-mark sectors.

Security Pacific plans to offer broking services

BY OUR NEW YORK STAFF

SECURITY PACIFIC, the ninth largest U.S. bank, based in Los Angeles, is planning to set up a stockbroking division which will be connected to one of the country's largest cut-rate stockbroking firms, Fidelity Brokerage Services, a subsidiary of the private Boston Fidelity Services concern.

Security Pacific is the second major U.S. bank in barely a week to announce plans to offer widescale brokering services to its customers, representing a challenge to the recent wave of consolidations in the U.S. financial services sector.

Earlier this week, Bank of America, the country's second largest bank, based in San Francisco, said it had agreed to buy Charles Schwab, the country's leading discount broker, in a deal valued at $53m.

The moves have been welcomed by the U.S. banking system because of the challenge they represent to the new generation of financial services concerns which have grown from the mergers of American Express with Shearson, Prudential Insurance with Bache, Salomon Brothers with Phibro, and Sears, Roebuck with Dean Witter Reynolds.

But they could also further fuel the current debate about the need to change existing U.S. bank regulations, which the banks claim make it increasingly difficult for commercial banks to compete in the rapidly changing U.S. financial services environment.

Under the so-called Glass-Steagall Act, commercial banks are barred from underwriting and trading securities on their own account.

But as in the case of Bank of America, Security Pacific claims its deal with Fidelity does not violate the Glass-Steagall law because the Act does *not* prevent commercial banks from executing buy or sell orders for customers.

Mr Robert Smith, executive vice-president of Security Pacific, said that providing discount brokerage services to the bank's customers was a natural development in the bank's role.

Under the agreement Security Pacific will be able to plug into Fidelity's computer network and have the discount broker execute trades as a stock exchange member.

"This new, fully automated service will add another important product line to the personal financial services we make available to our customers," Mr Smith said. Initially, Security Pacific customers will be able to go to any of the bank's 600 branches in California to buy or sell stocks.

Discount brokers grew in the mid-1970s when fixed-rate commissions were abolished on Wall Street. These brokers offer cut-rate, no-frills, stockbroking services.

Listing policies of HK exchanges under fire

BY KEVIN RAFFERTY IN HONG KONG

MR JOHN BREMRIDGE, Hong Kong's Financial Secretary, last night found fault with the Colony's stock exchanges for their policy towards new listings. He urged the exchanges to establish "quality control" over them and develop an orderly method of regulating their flow to the market without resorting to a total embargo.

The matter is a delicate one. All four exchanges imposed a moratorium on new listings in March because a heavy flow had depressed the markets. The ban was lifted in May but the two largest exchanges reimposed it a few weeks ago.

Mr Bremridge told the Stock Brokers' Association of Hong Kong: "It is important to the community as a whole that both the exchanges and the brokers, in ordering their affairs, take due consideration for the reputation both of Hong Kong as a world financial centre and in particular of the securities industry here.

"This can only be achieved if exchanges accept that there are obligations to investors and to companies seeking funds through the stock market as well as to those professionally involved in the market as brokers or security dealers."

He offered a velvet push towards self-regulation by the market, but also warned that the iron fist of Government via the Securities Commission might intervene if the market did not put its house in order.

The Financial Secretary also suggested to the stockbrokers that "you may wish to examine such issues as the need to persuade listed companies to disclose more about their assets, profits and activities, and to consider the promotion of schemes to improve the methods of dealing."

• The Hong Kong Government has published a Stamp Duty (Amendment) Bill which aims to encourage development of Hong Kong as a centre for international bond issues.

The main purpose is to relieve instruments relating to foreign currency loans from the charge of bearer instrument duty which was imposed by the stamp duty ordinance earlier this year, Reuter reports.

Simpsons-Sears profits fall

By Robert Gibbens in Montreal

INFLATION, high interest costs and recession have hit the Canadian retailing industry hard this autumn and even Simpsons-Sears, one of the most efficient members of the industry, is feeling the impact.

Simpsons - Sears, which operates a major national department store chain and the largest mail order catalogue business in the country, earned C$13.2m (U.S.$11m) or 15 cents per share, in the first nine months of its fiscal year, against C$19.1m, or 22 cents a year earlier. Sales were C$2.2bn, against C$1.9bn.

Volume will fall short of forecasts in the final quarter which will include Christmas, the company warns.

...OMMODITIES/REVIEW OF THE WEEK

...Violent fluctuations ...n tin market

...Y OUR COMMODITIES STAFF

PRICES fluctuated violently ...week, following a sudden ...ge in tactics by the dealers. ...have been pushing the ...et up since July. There was ...emonium on the London ...l Exchange on Thursday ...the influential dealers, ...had been holding up the ...months quotation at ...0 a tonne suddenly with... support from this level instead started heavy ...rowing" (buying cash tin ...elling the same amount for ...ery in three months).

...e result was that cash tin rocketed up, gaining ...5 on Thursday after esti...d purchases of some 10,000 ...es, before easing back ...erday to £8,495 a tonne, still up on a week ago. But three months quotation ...ped by £185.5 to £8,465 a tonne, establishing a backwardation (cash price at a premium to prices for forward delivery).

The change in tactics, cleverly coming on the U.S. Thanksgiving holiday, involved huge purchases of some 10,000 tonnes of cash tin meaning an immediate payment of £80m. So far the support operation, believed to be engineered on behalf of Malaysia backed up by oil-rich speculators in the Middle East, has been concentrated on pur... £7.25 down on the week. Lead that only a margin of around 10 per cent has been required.

The dramatic developments in tin overshadowed the other metal markets, where trading generally remained quiet and subdued.

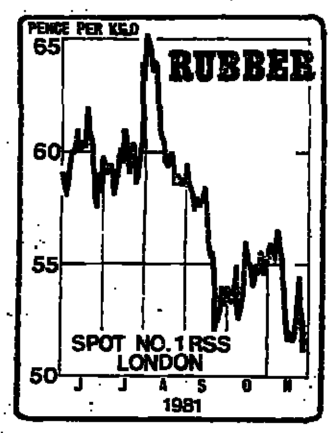
Copper cash wirebars touched a six-month low of £835.5 before rallying to close last night at £842.5 a tonne, still £7.25 down on the week. Lea... and aluminium also fell to new lows early in the week but rallied to close slightly higher on the week.

Nickel futures ended the week up, in spite of International Nickel announcing a reduction in its official producer price levels of between 6 to 7 per cent. Traders noted that the reduction, quickly followed by Falconbridge, was in line with discounts already being offered by producers so made little difference to world market values.

Natural rubber prices slumped to the lowest level since April 1978, after rallying earlier in the week following heavy support buying by the buffer stock of the International Rubber Organisation. The London spot quotation for RSS No. 1 was marked down to 51p a kilo yesterday, 2.5p down on a week ago, after reaching 54.5p on Monday. Traders claimed that demand for rubber remained extremely weak and market values depended almost entirely on the support buying provided by the Rubber Organisation buffer stock. At last week's meeting a request by producers to raise the Agreement's price ranges was rejected, but it was unanimously agreed by both producing and consuming members that the buffer stock should buy "vigourously" to push prices up. However traders have some doubts as to whether there are sufficient resources available to change the market from its present depressed state.

Similar doubts surround the ability of the buffer stock of the International Cocoa Agreement to control the market. A consortium of Brazilian banks this week offered to loan the buffer stock a further $120m—the maximum loan permitted by the recent International Cocoa Council meeting, but the terms and conditions of any loan still have to be approved at the Council's January meeting.

Meanwhile the buffer stock has been authorised to utilise its remaining funds of $80m to purchase direct from producers 36,000 tonnes of cocoa for delivery by July, and offer deffered payment on a further 60,000 tonnes for delivery by September.



...EKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
...LS					
...nium	£810/815	—	£810/815	£810/815	£760/70
...r Markets c.i.f.	$1085/1185	+55	$1470/500	$1508/1550	$1015 046
...ony					
... Market 99.6%	$2450/2560	-40	$5150/200	$5200/5288	$2450/550
...r Cash Wire Bars	£842.5	-7.25	£841.5	£1,023.5	£755
...nths Do. Do.	£862.5	-12.5	£986.75	£1,052.75	£777.5
... Cathodes	£838.25	-8.75	£822.5	£1,025	£748.5
...nths Do.	£858.25	-12.25	£846.5	£1,046	£765.5
...er oz	$412.5	+9.5	$623.5	$601	$390
...Cash	£336.5	+7.5	£335	£502	£273.75
...nths	£349.75	+5.75	£345.75	£499.5	£285.25
...l	£4,187.2	-	£3,115	£4,219.60	£3,156
... Market c.i.f. lb	234/284c	+5	280/300c	295/310c	225/275c
...um per oz	£260		£202	£260	£202
... Market per oz	£203.05	+0.2	£265.70	£250.90	£185.60
...silver (76lbs.)	$415/423	-6	$385/395	$428/458	$355/365
...per oz	422.50p	-6.6	781.10p	671.20p	422.50p
...nths per oz	436.30p	-7.1	807.50p	696.70p	436.30p
...sh	£8,495	+151	£6,266	£8,575	£6,700
...nths	£8,465.5	-185.5	£6,397.5	£8,657.5	£5,865.5
...ten Ind.	$138.06	—	$145.28	$149.08	$138.06
...im (22.04 lb)	$127/131	-3.5	$139/142	$151/155	$127/131
...sh	£433.5	-4	£345	£553.5	£306.5
...nths	£444.25	-5.25	£356.25	£566.5	£318.25
...ucers	$1000	—	$823	$1000	$823
...s					
... Futures	£106.95z	—	£101.00	£107.15	£94.40
... French	‡	—	£119.00	£130.00	£119.75
...r Futures	£111.15z	—		£121.10	£99.10
...d Winter Wheat	‡	—	£110.25	£124	£102.0
...s					
...s (g)	£5,500u	—	£4,100	£6,000	£3,800
...er, white	$1,950x	—	$2,150	$2,150	$1,850
... black	$1,400x	—	$1,600	$1 650	$1,285
...nut (Philippines)	$570x	—	$660	$640	$520
...ndnut 5%	‡		‡		
...ed, Crude	£425	—	£466	£460	£400
... Malayan	$492.5y	-7.5	$645	$645	$492.5
...a (Philippines)	$355y	—	$430	$430	$335
...beans (U.S.)	$259y	—	$368	$340	$255
... COMMODITIES					
...a Shipment	£1,167	+36	£949	£1,416	£850
...a Futures Mar.	£1,098.5	+32	£893.5	£1,316	£789.5
...e Futures Jan.	£1,092.5	-62	£1,018.5	£1,167.5	£733.5
...on Index	68.90c	-2.8	98.25c	101.15c	68.95c
... Coconut	£540	-55	£650	£880	£510
... Oil Fut. Nov.	$326.5	+0.75	£227	$329.75	$268
...LI ABW C grade	£265w	+5		£265	£219
...er kilo	51p	-2.5	63.5p	65.25p	51.p
... Pear	£228u	—	£198	£252	£197
... No.	$650	—	$780	$780	$650
...r (Raw)	£159uw	+8	£338	£315	£148
...oca No. 1	£225u	—	£212	£235	£207
...(quality) kilo	124p	+6	155p	130p	117p
...plain) kilo	79p	-2	58p	87p	59p
...tops, 64s Warp	376p kilo	—	297p kilo	400p kilo	294p kilo

...oted. (g) Madagascar. (y) Dec. (x) Dec/Jan. (z) Mar. (w) Jan. (u) Nov/Dec ‡ Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Tin closed at £8,440, three months, having touched £8,600 in early trading, with the backwardation widening to £90. Copper was finally £860.25, reflecting the strength of sterling and a poor opening on Comex. Lead closed at £350 following bear covering, while zinc ended the day at £440 in the absence of any news from Tara. Aluminium closed at £585.5 and nickel at £2,717.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	842-.5	+6.75	842.5	+6
3 mths	863-.5	-2.5	862.5	-.75
Settlem't	842.5	-6.5	—	......
Cathodes				
Cash	838.5-9	-6.5	838-.5	+5.25
3 months	858-9	-1.75	858-.5	-.25
Settlem't	859	-6.5	—	...
U.S. Prod.	—	..	*78.8-84	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £842, three months higher grade £863, 64, 62.5, 63, 62.5, 63. Cathodes: Three months £858. Kerb: Wirebars Cash £842.5; three months £863.5, 64, 63.5, 63. Afternoon: Wirebars: Three months higher grade £862, 62.5, 63, 64, 63, 62.5. Cathodes: Three months £858. Kerb: Wirebars: High grade three months £862.5, 62, 61, 60. Turnover: 24,550 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8550-60	-115	8490-500	-90
3 months	8460-70	-30	8460-70	-110
Settlem't	8560	-110	—	.....
Standard				
Cash	8550-60	-115	8490-500	-80
3 months	8460-70	-30	8460-70	-110
Settlem't	8560	-110	—	....
Straits E.	$35.75	-0.09		...
New York	—			

Tin—Morning: Standard: Cash £8,550; three months £8,570, 50, 8,500, 8,490, 8,500, 8,450, 70, 80, 70. Kerb: Standard: Mainly carries three months £8,460, 50. Afternoon: Standard: Three months £8,470, 75, 70, 60. Kerb: Standard: Three months £8,460, 40, 41. Turnover: 9,040 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	339.5	-5	336-7	-1
3 months	351-.5	-7	349.5-50	-.25
Settlem't	339.5	-8	—	......
U.S. Spot	-	...	*32.6	...

Lead—Morning: Cash £339; three months £349, 53, 54, 53, 52, 51.5, 51. Kerb: Three months £350, 51, 50. Afternoon: Three months £349.5. Kerb: Three months £349, 48, 47, 48, 49. Turnover: 10,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	439-.40	-1.25	433-4	-5.5
3 months	449-.50	-.75	444-.5	-8.5
S'ment	440	-1.5	—	
Primw'ts	—	—	*46.75-50	..

Zinc—Morning: Cash £440, three months £451, 52, 51.5, 51, 50. Kerb: Three months £450. Afternoon: Three months £449, 48, 46.5, 46, 47, 46, 45, 44, 43, 44. Kerb: Three months £445, 44, 43, 42, 41, 40, 41, 42, 42.5, 43. Turnover: 24,375 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	565-4	-7	566-7	-5
3 months	585-6	-5	588-.5	-7.75

Aluminium—Morning: Three months £580, 81, 82, 82.5, 83, 84, 84.5, 85. Kerb: Three months £584, 85, 84.5, 85, 86, 87. Afternoon: Three months £588, 87, 88, 89, 88.5, 88. Kerb: Three months £589, 88, 87. Turnover: 20,375 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 34 tonnes. Although prices remained lower buyers were still operating cautiously, and business was scarce. A few more enquiries came to hand in various American type growths.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2720-30	-57.5	2705-10	-37.5
3 months	2715-20	-40	2715-20	-35

*Cents per pound. † $M per kilo. ‡ On previous unofficial close.

Nickel—Morning: Kerb: Three months £2,715. Afternoon: Three months £2,710, 20. Kerb: Three months £2,710, 30. Turnover: 516 tonnes.

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

WOOL FUTURES

[illegible]

523.5, 524.0-522.5; March 527.0, 529.0, untraded May 532.0, 535.0, 535.5-533.5. Sales: 148.

GAS OIL FUTURES

The market strengthened in thin conditions reflecting a similar firming of the physical market, reports Premier Man.

[illegible]

GRAINS

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

AMERICAN MARKETS

NEW YORK, Nov 27

Costa Rica's request for an increase in the export quota touched off technical and fundamental selling resulting in limit losses in coffee. Cocoa was moderately higher as commercial banks in Brazil offered to extend credit lines [illegible]

CHICAGO, Nov 27

Lard—Chicago loose 21.25 (same). Live Cattle—Dec 62.20-62.17 (62.55), Feb 61.15-61.25 (61.35), April 61.25-61.15, June 62.50-62.45, Aug 62.15-62.25, Oct 61.10-61.00, Dec 62.25. Live Hogs—Dec 42.75-42.85 (43.05), [illegible]

INDICES

FINANCIAL TIMES

Nov. 26	Nov. 25	Month ago	Year ago
247.13	247.43	258.94	269.82

(Base: July 1, 1952=100)

MOODY'S

Nov. 25	Nov. 24	Month ago	Year ago
978.8	975.2	1000.7	1307.3

(December 31, 1931=100)

DOW JONES

Dow Jones	Nov. 25	Nov. 24	Month ago	Year ago
Spot	356.27	356.78	356.16	463.81
Fut rs	366.90	364.41	373.89	498.76

(Average 1924-25-26=100)

REUTERS

Nov. 27	Nov. 26	M'nth ago	Year ago
1605.9	1605.7	1648.4	1759.0

(Base: September 18, 1931=100)

MEAT/VEGETABLES

[illegible]

... Harper. Closing prices: Feb 85.00, unchanged, (high 85.00, low 84.30); April 96.10, unchanged, (high 96.10, low 95.50); Nov 63.00, +0.70 (high 68.00, low 67.00) Turnover, 208 (126) lots of 40 tonnes.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £7.00-£8.50, codling £3.00-£4.80. Medium haddock £4.40-£4.80, small £2.80-£3.60. Best small plaice £3.80-£4.10.

Whitelaw alters immigrant tests

IMMIGRANTS are no longer to be barred from entering the country for failing a medical test on arrival in Britain, Mr William Whitelaw, Home Secretary, announced yesterday in a Commons written reply.

Instead the Home Secretary plans to set up stricter medical tests for would-be immigrants in their own countries, to be followed up after their arrival in Britain.

BANKS, DISCOUNT (604)

BREWERIES (324)

COMMERCIAL (7,115)

A—B

APPOINTMENTS

Fowles to head southern CBI

Named as the new vice-chairman of the CONFEDERATION OF BRITISH INDUSTRY'S southern region is Mr John Fowles, head of the Gowrings Group, Reading. He will succeed the present chairman, Mr Martin Jourdan, chairman of Parker Knoll.

★

Mr J. H. McKenna has been apointed to the board of HILL SAMUEL LIFE ASSURANCE.

★

J. L. M. B. INVESTMENTS, a newly-incorporated property investment company, has appointed the following directors: Sir Archibald Forbes, chairman: Mr J. H. Lundy, deputy chairman and managing director; Mr V. Wood, Mr W. G. Barrett and Mr R. L. Wyatt.

★

Mr A. B. Sanders has been apointed director of marketing at SMITH KLINE & FRENCH LABORATORIES from December 1. Dr P. Goddard, acting director of marketing, is leaving to become general manager of Smith Kline and French in the Netherlands.

★

Mr P. R. Froggatt has resigned from the board of TANKS CONSOLIDATED INVESTMENTS and Mr P. Townend has taken his place

★

Mr Ronald Whiting, former chairman of Macdonald Futura and other companies within the BPC Group, will take up a directorship of the HAMLYN PUBLISHING GROUP when he becomes deputy managing director of the company's trade books division on January 4.

★

Mr R. J. Arthur will be joining the board of HARLEY MULLION (shipbroking subsidiary of the Kleinwort Benson Group) on December 1 with special responsibilities for sale and purchase.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$400	—	—	15	60	—	—	$412.25
GOLD C	$425	12	19	—	—	—	—	"
GOLD C	$450	39	9	49	22	—	—	"
GOLD C	$475	8	5.50	14	16 B	—	—	"
GOLD P	$375	—	—	10	8	—	—	"
GOLD P	$400	—	—	10	14	—	—	"
12¾ NL 81 87-91								
C	F.102.50	150	3.70	—	—	—	—	F.105.70
C	F.105	50	1.90	—	—	—	—	"
C	F.107.50	—	—	10	1.40	10	1.90	"
P	F.102.50	80	0.50	—	—	—	—	"
P	F.105	30	1.50	—	—	—	—	"
12 NL 81 85-88								
C	F.100	7	2.70	—	—	—	—	F.102.50
C	F.102.50	—	—	170	1.80	—	—	"
P	F.100	5	1.30 A	—	—	10	2.20	"
10¼ NL 80 86-95								
C	F.95	70	2.50	—	—	2	4	F.96.60
C	F.97.50	50	1.10	—	—	2	2.50	"
P	F.95	—	—	—	—	2	5	"
P	F.97.50	—	—	5	3.60	—	—	"
		Jan.		April		July		
ABN C	F.500	59	5.50	11	8 B	—	—	Fr.292.50
AKZO C	F.20	—	—	—	—	20	4.80	F.23.50
AKZO C	F.22.50	60	1.80	—	—	—	—	"
AKZO C	F.25	14	0.70	290	1.60	—	—	"
AKZO P	F.20	—	—	—	—	17	0.50	"
AMRO C	F.55	33	1.40	19	2.50	7	2.80	F.54
HEIN C	F.45	26	2.30	10	3	—	—	F.45
HEIN P	F.45	10	2	—	—	—	—	"
IBM C	$55	—	—	—	—	6	3⅞	$52⅞
KLM C	F.90	16	7	6	11.80	—	—	F.91
KLM C	F.100	106	3.50	6	8.70	—	—	"
KLM C	F.110	13	1.60	—	—	—	—	"
KLM C	F.120	—	—	8	3	—	—	"
KLM P	F.80	10	1.40	—	—	—	—	"
KLM P	F.90	45	4.20	—	—	—	—	"
KLM P	F.100	45	11	—	—	—	—	"
NEDL C	F.130	—	—	10	22	—	—	F.147.50
NEDL C	F.150	7	4.30	—	—	—	—	"
NEDL C	F.160	12	1.50	—	—	—	—	"
NEDL P	F.130	10	0.10	—	—	—	—	"
NEDL P	F.150	10	5	—	—	—	—	"
NATN C	F.115	—	—	10	3	—	—	F.110.70
PETR C	Fr.4500	—	—	—	—	6	360	Fr.4100
PHIL C	F.17.50	—	1	—	—	10	3.50	F.20.30
PHIL C	F.20	580	0.30	183	1.80	151	2	"
PHIL C	F.22.50	79	0.10	80	0.90	30	1	"
PHIL C	F.27.50	10	0.30	—	—	—	—	"
PHIL P	F17.50	50	1.20	15	1.50	—	—	"
PHIL P	F20	326	0.90	—	—	—	—	"
PHIL P	F.22.50	160	2.60	—	—	—	—	"
RD C	F.80	126	9.80	12	12.80	—	—	F.88.40
RD C	F.90	147	3.20 B	155	6.70	23	7.80	"
RD C	F.100	249	1	120	3	—	—	"
RD P	F.80	143	1.10	72	2.40	—	—	"
RD P	F.90	108	4.20	28	5.50	—	—	"
RD P	F.100	—	—	12	11.80	—	—	"
UNIL C	F.150	20	6	—	—	—	—	F.152
UNIL C	F.160	86	1.80	49	4.60	—	—	"
UNIL C	F.170	20	0.50	—	—	—	—	"
UNIL P	F.140	18	1	20	2.10	—	—	"
UNIL P	F.150	9	3.80	39	5.80	—	—	"
		Feb.		May		Aug.		
SLUM C	$60	—	—	13	3⅛	—	—	$55⅝
VW C	DM.150	10	7	—	—	—	—	DM150.30
TOTAL VOLUME IN CONTRACTS				4588				

A=Asked B=Bid C=Call P=Put

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14½	½-year	1,000	4-8

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. △ Bargains done with or between non-members or executed in overseas markets. ○ Bargains done previous day. $A—$Australian. $B—$Bahamian. $C—$Canadian. $HK—$Hong Kong. $J—$Jamaican. $Ma—$Malayan. $Me—$Mexican. $NZ—$New Zealand. $S—$Singapore. $US—$United States. $WI—$West Indian.

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (289)

INSURANCE (396)

INVESTMENT TRUSTS (371)

UNIT TRUSTS (18)

MINES—Miscellaneous (312)

South African (146)

OIL (681)

PROPERTY (322)

RAILWAYS (1)

SHIPPING (69)

UTILITIES (14)

UNLISTED SECURITIES MARKET (202)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

(By permission of the Stock Exchange Council)

FT UNIT TRUST INFORMATION SERVICE

MONEY MARKETS

London clearing bank base lending rates 15 per cent (since November 10)

The Treasury bill rate fell by 0.0527 percentage points at yesterday's tender to 13.7564 per cent and the minimum accepted bid rose to £96.56 from £96.55. Bids at that level were met as to about 10 per cent and above in full. The £100m of bills on offer attracted bids of £399.41m and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing maturities of £100m.

The Bank of England gave an early forecast of a shortage of £150m with bills maturing in official hands and a take up of Treasury bills accounting for £200m and a rise in the note circulation of £140m. This was offset by Exchequer transactions working in the market's favour to the tune of £190m. The forecast was revised at noon to £200m shortage and the Bank gave assistance totalling £182m. This comprised purchases of £1m of local authority bills in band 1 (up to 14 days) at 14⅝ per cent and £19m of eligible bank bills at 14⅝ per cent.

At 2 pm the Bank revised the shortage to £250m before taking into account the morning's operations and gave further help in the afternoon totalling £92m, making a grand total of £274m. The afternoon help comprised purchases of £1m of Treasury bills in band 1 at 14 9/16 per cent, £1m of local authority bills in band 1 at 14 9/16 per cent, £66m of eligible bank bills in band 2 at 14¾ per cent and £24m of eligible bank bills in band 3 at 14 3/16 per cent.

EXCHANGES AND BULLION

Sterling continued to improve in currency markets yesterday helped by relatively high interest rates compared with other European countries and the U.S. Against the dollar it touched a best level of $1.9600 after opening at $1.9375, and closed at $1.9560-1.9570 a rise of 1.7c, and its best level since June. Trading was rather thin with U.S. markets affected by Thursday's public holiday and markets in general showing lower levels of trading ahead of the month end. Sterling's trade weighted index rose to 91.9 from 91.3, having stood at 91.8 at noon and 91.5 in the morning.

Against the D-mark it rose to DM 4.3350 from DM 4.3150 and SwFr 3.4725 from SwFr 3.45 against the Swiss franc. It was also up against the French franc at FFr 10.93 from FFr 10.8750. Although the level of business was rather low, the Bank of England was reported to have been in the market selling sterling in view of its recent sharp rise.

The dollar was slightly easier overall although Euro-dollar rates were slightly firmer. The market was quiet ahead of the weekend with some dealers looking to Monday's release of U.S trade figures. Against the D-mark it fell to DM 2.2145 from DM 2.2250 and SwFr 1.7740 from SwFr 1.7775. It was also easier against the Japanese yen at Y215.4 from Y216. On Bank of England figures, its trade weighted index fell to 105.3 from 105.6.

THE POUND SPOT AND FORWARD

Nov 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.9375-1.9600	1.9560-1.9570	0.62-0.52c pm	3.50	1.31-1.21 pm	2.58
Canada	2.2850-2.3030	2.3015-2.3025	0.25-0.35c dis	−1.56	0.45-0.65dis	−0.95
Nethlnd.	4.72½-4.76	4.74-4.75	1⅝-1¼c pm	3.79	4½-3¾ pm	3.27
Belgium	72.50-73.00	72.75-72.85	par-10c dis	−0.82	30-40 dis	−1.92
Denmark	13.92-14.00	13.95½-13.96½	⅞ore pm-⅛ dis	0.32	⅜ pm-⅜ dis	—
Ireland	1.2155-1.2225	1.2200-1.2215	0.28-0.37p dis	−3.19	0.95-1.14dis	−3.42
W. Ger	4.31½-4.34½	4.33-4.34	1⅞-1⅝pf pm	4.50	4¾-4¼ pm	4.15
Portugal	125.00-126.50	126.15-126.45	20-185c dis	−9.74	55-390 dis	−7.05
Spain	184.50-185.90	185.60-185.80	20-50c dis	−2.26	75-115 dis	−2.05
Italy	2.316-2.335	2,332½-2,334½	13¼-16¼ lire dis	−7.62	40¼-44¼ dis	−7.24
Norway	11.15-11.22¾	11.21-11.22	¾-1⅞ore dis	−1.40	2¾-1⅜ pm	0.60
France	10.89-10.94½	10.92½-10.93½	1-2c dis	−1.65	5-6 dis	−2.01
Sweden	10.60-10.69	10.67¾-10.68¾	1½-⅜ore pm	1.26	5⅛-4⅜ pm	1.80
Japan	419½-422	421-422	3.15-2.85y pm	8.54	7.75-7.45 pm	7.21
Austria	30.30-30.60	30.55-30.60	15-10gro pm	4.90	39-29 pm	4.45
Switz.	3.46-3.49	3.46¾-3.47¾	1⅞-1⅝c pm	5.61	4¼-3¾ pm	4.61

Belgian rate is for convertible francs. Financial franc 80.45-80.55. Six-month forward dollar 1.60-1.53c pm, 12-month 1.90-1.75c pm.

GOLD

	Nov. 27		Nov. 24	
Gold Bullion (fine ounce)				
Close	$412-413	(£211-211½)	$409-410	(£211-211½)
Opening	$411½-412½	(£212-212½)	$409½-410½	(£211½-212)
Morning fixing	$411.25	(£211.114)	$409.75	(£211.320)
Afternoon fixing	$411.50	(£211.026)	$409.50	(£211.246)
Gold Coins				
Krugerrand	$425¼-426¼	(£217½-218)	$422-423	(£217½-218)
1/2 Krugerrand	$218¾-219¾	(£112-112½)	$217-218	(£111¾-112¼)
1/4 Krugerrand	$111½-112½	(£57-57½)	$110½-111½	(£57-57½)
1/10 Krugerrand	$45½-46½	(£23¼-23¾)	$45-46	(£23¼-23¾)
Mapleleaf	$425¼-426¼	(£217½-218)	$422-423	(£217½-218)
New Sovereigns	$101-101½	(£51½-52)	$100-100¾	(£51½-52)
King Sovereigns	$111½-112½	(£57-57½)	$111-112	(£57¼-57¾)
Victoria Sovs.	$111½-112½	(£57-57½)	$111-112	(£57¼-57¾)
French 20s	$104-114	(£53¼-58¼)	$103-113	(£53-58¼)
50 pesos Mexico	$510-513	(£261-262½)	$509-512	(£262¼-264)
100 Cor. Austria	$400-404	(£204½-206½)	$400-404	(£206-208¼)
$20 Eagles	$510-515	(£261-263½)	$510-515	(£262¾-265½)

EXCHANGE CROSS RATES

Nov. 27	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1.	1.957	4.335	421.5	10.93	3.473	4.745	2334.	2.302	72.80
U.S. Dollar	0.511	1.	2.216	215.4	5.587	1.775	2.425	1193.	1.177	37.21
Deutschemark	0.231	0.451	1.	97.23	2.521	0.801	1.095	538.5	0.531	16.79
Japanese Yen 1,000	2.372	4.642	10.28	1000.	25.93	8.238	11.26	5536.	5.461	172.7
French Franc 10	0.915	1.790	3.966	385.6	10.	3.177	4.341	2135.	2.106	66.61
Swiss Franc	0.288	0.563	1.248	121.4	3.148	1.	1.366	672.0	0.663	20.96
Dutch Guilder	0.211	0.412	0.914	88.83	2.303	0.732	1.	491.8	0.485	15.34
Italian Lira 1,000	0.429	0.838	1.858	180.6	4.684	1.488	2.033	1000.	0.987	31.20
Canadian Dollar	0.434	0.850	1.883	183.1	4.748	1.508	2.061	1014.	1.	31.62
Belgian Franc 100	1.374	2.688	5.955	579.0	15.01	4.770	6.518	3205.	3.162	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Nov. 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	15½-15⅝	11¾-12	18-19	11⅛-11⅜	90-92	10⅝-10⅞	15⅛-15⅝	14-17	14-17	7½-8
7 days' notice	15½-15⅝	11¾-12	18-19	11⅛-11⅜	4½-5	10⅝-10⅞	15⅛-15⅝	22⅝-25	14¼-17½	7¼-7½
Month	15-15⅛	11 11/16-11 15/16	16-16⅜	11⅛-11¼	9½-9⅝	10 5/16-10 7/16	15¾-16¼	21-22¼	15½-16½	7¼-7½
Three months	14 13/16-14 15/16	11 15/16-12 1/16	15⅜-15⅝	11 5/16-11 7/16	9 5/16-9 7/16	10 5/16-10 7/16	16⅝-16⅞	22-23	16½-17	7 5/16-7 7/16
Six months	14⅝-14¾	13-13¼	15¼-15⅝	11 5/16-11 7/16	9½-9⅝	10 3/16-10 5/16	17¼-17¾	22-23	17-17½	7¼-7½
One Year	14 11/16-14 13/16	12⅝-12⅞	15⅝-16	11¼-11⅜	8 15/16-9 1/16	9 15/16-9 15/16	17¾-18¼	22¼-23¼	15⅞-16⅜	7½-7½

SDR linked deposits: one month 11½-11⅞ per cent; three months 11 31/32-12 1/32 per cent; six months 12 7/32-12 7/16 per cent; one year 12 3/16-12 9/16 per cent.

ECU linked deposits: one month 13½-13¾ per cent; three months 13⅝-14 per cent; six months 13 11/16-14 1/16 per cent; one year 13⅝-14 per cent.

Asian $ (closing rates in Singapore): one month 11 13/16-11 15/16 per cent; three months 12-12⅛ per cent; six months 12⅝-12¾ per cent; one year 13⅛-13½ per cent. Long-term Eurodollar two years 14-14⅛ per cent; three years 14⅛-14⅜ per cent; four years 14⅜-14⅝ per cent; five years 14½-14¾ per cent nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one month 11.50-11.60 per cent; three months 11.50-11.60 per cent; six months 12.05-12.15 per cent; one year 12.50-12.60 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. NOVEMBER 27)

3 months U.S. dollars		6 months U.S. dollars	
bid 12	offer 12 1/8	bid 12 11/16	offer 12 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Nov. 27 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11-15⅞	15½-15¾	—	—	15¼-15½	14-15⅛	—	—	—
2 days notice	—	—	15¼-15⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15⅜-15¾	15¼-15½	—	—	15⅝-16	14⅞-15	—	—	—
One month	15⅛-15	15-15⅛	15⅛	15½-14¾	15⅛	15¼-15⅝	14⅝	14 17/32	14 9/16	15⅛
Two months	15-14⅞	14⅞-15 1/16	—	15¼-14⅞	15	15⅛-15¼	13¾	14 5/16	14¼	15⅛
Three months	14¾-14 21/32	14 13/16-14 15/16	14¾	15¼-14¾	14⅞	15-15⅛	13¾	13 13/16	13 25/32	14¾
Six months	14⅝-14¼	14 3/16-14⅝	14½	14-13¾	14½	—	—	—	13⅝	14
Nine months	14 5/16-14 3/16	14 7/16-14⅛	—	14½-14¼	14½	—	—	—	—	—
One year	14¼-14⅛	14 5/16-14 5/16	14½	14½-14¼	14½	—	—	—	—	—
Two years	—	—	14¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14⅝ per cent; four years 14⅞ per cent; five years 14⅞ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four months trade bills 14½ per cent.

Approximate selling rate for one month Treasury bills 14 9/32 per cent; two months 14 3/16 per cent; three months 13 13/16 per cent. Approximate selling rate for one month bank bills 14½ per cent; two months 14⅜ per cent; and three months 13 27/32 per cent; one month trade bills 15¼ per cent; two months 14⅞ per cent; three months 14½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16 per cent from November 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 13 per cent. Clearing Bank Rates for lending 15 per cent. Treasury Bills: Average tender rate of discount 13.7564 per cent.

CURRENCY MOVEMENTS

Nov. 27	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.9	−32.4
U.S. dollar	105.3	−0.5
Canadian dollar	88.7	−16.0
Austrian schilling	117.1	+24.0
Belgian franc	106.3	+8.6
Danish kroner	88.2	−9.5
Deutsche mark	122.6	+43.9
Swiss franc	154.4	+1055
Guilder	115.2	+19..
French franc	81.6	−14.71
Lira	55.5	−57.7
Yen	146.5	+40.5

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Nov. 27	£	$		£ Note Rates
Argentina Peso	13,123-13,143†	6708-6728*	Austria	30.20-30.50
Australia Dollar	1.6990-1.7010	0.8685-0.8690	Belgium	79.50-80.50
Brazil Cruzeiro	235.74-236.74	120.54-121.14	Denmark	13.92-14.04
Finland Markka	8.435-8.468	4.3170-4.3190	France	10.90-11.05
Greek Drachma	106.851-110.081	55.95-56.15	Germany	4.31¾-4.35¾
Hong Kong Dollar	10.99-11.04	5.63-5.65	Italy	2335-2365
Iran Rial	151.30*	78.60*	Japan	421-426
Kuwait Dinar (KD)	0.541-0.547	0.2797-0.2800	Netherlands	4.72¾-4.76¾
Luxembourg Fr.	72.75-72.85	37.24-37.26	Norway	11.16-11.26
Malaysia Dollar	4.3790-4.3890	2.2430-2.2480	Portugal	123½-134
New Zealand Dlr.	2.3305-2.3345	1.1910-1.1920	Spain	184½-196¼
Saudi Arab. Riyal	6.61-6.67	3.4150-3.4200	Sweden	10.61-10.71
Singapore Dollar	3.9925-4.0025	2.0450-2.0500	Switzerland	3.46¾-3.50¾
Sth. African Rand	1.8860-1.8870	0.9640-0.9645	United States	1.93¾-1.95¾
U.A.E. Dirham	7.11-7.17	3.6700-3.6750	Yugoslavia	88-93

†Rate given for Argentina is the commercial rate. The financial rate for sterling is 20.761-20.781 and for the dollar 10.600-10.650. *Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 27	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.2539	+1.22	+0.34	±1.5388
Danish Krone	7.91117	7.90080	−0.13	−1.01	±1.6412
German D-Mark	2.40989	2.45374	+1.82	+0.94	±1.1077
French Franc	6.17443	6.18285	+0.14	−0.74	±1.3733
Dutch Guilder	2.66382	2.68412	+0.76	−0.12	±1.5063
Irish Punt	0.684452	0.691102	+0.97	+0.09	±1.6688
Italian Lira	1300.67	1315.05	+1.11	+0.23	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for November 27 .... 0.565286

U.K. CONVERTIBLE STOCKS 27/11/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.60	269.50	333.3	80-97	4.5	2.1	−2.6	− 5 to 11	16.6	85.9	25.0	+27.6
Hanson Trust 6½pc Cv. 88-93	3.02	154.50	57.1	76-82	4.2		−1.3	−11 to 4	4.3	0.0	− 2.7	− 1.4
Hanson Trust 9½pc Cv. 01-06	42.70	109.00	35.7	85-01	9.2	9.0	11.4	4 to 27	81.4	75.4	− 6.1	−17.5
Slough Estates 10pc Cv. 87-90	5.31	224.50	187.5	78-84	4.4		−4.2	− 8 to 5	19.1	17.2	− 0.8	+ 3.4
Slough Estates 8pc Cv. 91-94	24.88	104.00	78.0	80-91	7.6	7.3	6.7	6 to 27	27.9	43.4	15.9	+ 9.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Equities end on rising note and index scores its fifth successive weekly gain—Gilt-edged also close firmly

Account Dealing Dates

Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Nov 9	Nov 19	Nov 20	Nov 30
Nov 23	Dec 3	Dec 4	Dec 14
Dec 7	Dec 17	Dec 22	Jan 4

* "New time" dealings may take place from 9 am two business days earlier.

The continuing squeeze on short-term credit which is keeping near money market rates at present levels and delaying the awaited fall in base lending rates again influenced London stock markets. The impact on business yesterday was less marked than recently and leading shares made a firm showing despite the NIESR conclusion that present Government policies will prolong the recession.

Equity markets also refused to bow to the threat of lightning strikes by Shell tanker drivers and the recommendation for strike action at Esso. Leading shares opened a shade easier but little selling developed and values began to rally on a bear squeeze. More genuine investment support was forthcoming later, much of it being directed towards popular Electricals and Oils.

Significantly, institutional interest continued to be shown for long-time depressed stocks such as **Courtaulds**, in the wake of Thursday's much improved interim results. **Imperial Group** and **Dunlop**. Other leaders were wanted ahead of trading statements next week and **Pilkington Brothers**, first-half figures due on Wednesday, were a particular favourite. Cleaning shares continued their recent advance, the forward movement here being helped by stock shortage.

The FT Industrial Ordinary share index, down 1.4 at 10 am, went steadily higher and closed 7.3 up at the session's best of 533.4. Over the first leg of the current trading Account, the index, up 13.2, scored its fifth consecutive weekly rise for an advance of over 71 points since October 23.

The combination of rising U.S. bond values and a continuing strong pound yesterday enabled Gilt-edged securities to make some progress. Domestic demand was inhibited by a shortage of funds but was sufficient to absorb light offerings and, helped by overseas buying, finally took quotations higher. Talk that the U.S. Federal Funds rate would be lowered this weekend also supported the undertone and maturities at both ends of the market closed around ¼ better. The short tap, **Exchequer 14 per cent 1986**, ended that much up at par in £40-paid form; the Government broker is expected to be a seller of stock at 40½ after having withdrawing at 40¼ on Wednesday.

A total of 3,038 contracts in the Traded Option market comprised 2,649 calls and 389 puts. **Imperial Group** *continued* to feature with a further 823 deals done, 815 of them calls with 391 in the February 70 series. **BP** recorded 726 deals and **Courtaulds** 518.

Banks good

Buyers remained interested in the major clearing banks ahead of further developments on interest rates. With stock in short supply, double-figure gains were achieved by the close; **Lloyds** closed 15 to the good at 445p and **NatWest** 10 up at 418p, while **Barclays**, 465p, and **Midland**, 335p, advanced 13 apiece. Elsewhere, **Standard Chartered** put on 12 to 655p on investment support. **Hambros**, at 155p, retrieved 5 of the recent fall which followed the disappointing *interim statement*.

Hambro Life became a dull counter in Insurances, falling 10 to 30p in the wake of a sizable put-through transacted on Thursday. Elsewhere, **Phoenix** gave up 4 to 160p ahead of next Wednesday's third-quarter figures, while **Eagle Star**, at 328p, lost 4 of the previous day's speculative gain of 6 which followed the announcement that Allianz's acquisition of a 28.1 per cent stake in the company is not to be investigated by the Monopolies Commission.

Buildings ended the first leg *of the Account on a very firm* note. **Blue Circle** edged up 6 to 490p, while **Tarmac** gained 8 to 382p and **London Brick** ¾ to 72p. **BPB Industries**, which announced excellent interim results on Tuesday, added 2 more for a gain on the week of 34 to a 1981 peak of 314p. Persistent small buying lifted **Wimpey** 6 to 95p, while **French Kier** put on 4 to 90p after comment on the half-year results. Timbers met demand ahead of interim trading statements, due soon. **Phoenix**, an old bid favourite, put on 14 to 106p; the interim *results are due on December* 11. **Montague L. Meyer** firmed 4 to 66p and **International Timber** 5 to 83p; both companies announce half-timers on December 8. **Carron** shed 2 to 28p in the absence of an interim dividend. Demand in front of half-year figures, due December 10, lifted **A. Monk** 5 to 54p.

ICI attracted good support, *buoyed by the group's oil* interests and comment on the choice of the incoming chairman, and rose 10 to 294p. **Fisons** revived and also gained 10, to 145p. Among other Chemicals, **British Benzol** added 2½ to 20p ahead of next Tuesday's interim results.

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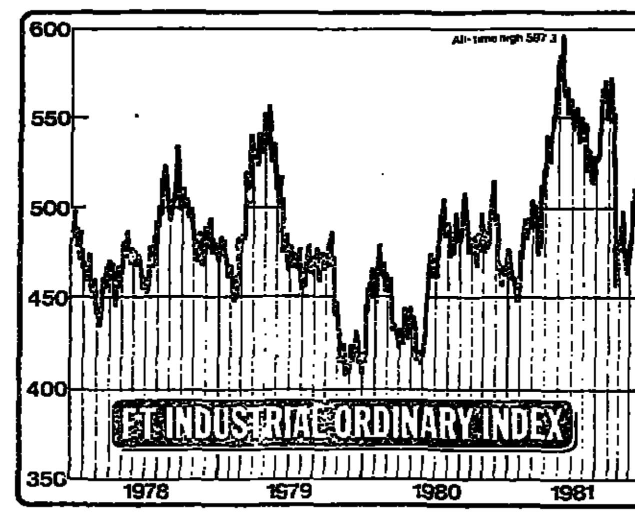


A firm market during the week on hopes that Lonrho's bid will get clearance from the Monopolies Commission. **House of Fraser** rose 6 more to 180p following publication of *expansion plans*. Elsewhere in Stores, **Tern-Consulate** gained 3 more to 6p on renewed speculative support and **Castors A** advanced 4 to 39p in response to the chairman's encouraging statement at the annual meeting.

GEC dip and rally

The surprise announcement *that British Telecom has* invited overseas companies to tender for a central telephone exchange contract potentially worth more than £500m unsettled **Standard Telephones and Cables** which had risen earlier in the week on hopes that the contract would be shared between themselves, GEC and Plessey. **STC** finished 10 off at *445p but* **GEC**, *after easing to* 755p, rallied to close a net 8 higher at 781p; the latter's interim figures are due next Thursday. **Plessey**, with half-year results on the same day, closed unaltered at 337p, after 333p. Elsewhere, **Philips Lamps** gained 17 to 420p and **Racal** added 5 at 420p, after 423p. **Ferranti** came in for late support and *rose 23 to 588p ahead of Wed*nesday's first-half statement, but **Rediffusion** lost 13 to 167p on the disappointing interim profits.

Leading Engineers closed slightly firmer. **Vickers**, up 3 more to 159p, were still benefiting from a recent broker's circular. **RHP**, up 5 at 61p, encountered support ahead of *preliminary results, due shortly*. **Ash and Lacy** improved 6 more to 238p in a limited market, while **Staveley** put on 4 to 198p and **Spear and Jackson** a similar amount to 100p. News that Mr J. F. Nash had increased his stake in the company prompted a rise of 1½ to 11p in **Meggitt Holdings**. Other smaller-priced *issues to make headway included* **Richardson Westgarth**, up 2½ at 21½p, and **Butterfield-Harvey**, 3 better at 26½p. Dealings were temporarily *suspended* in **United Engineering** at 205p pending the reorganisation because of the acquisition of Micro Consultants.

Among Food Retailers, **William Low**, at 168p, shed 2 of the previous day's speculative gain of 18. **Kwik Save**, tipped as likely bidders for the company, again lacked support and lost 4 for a two-day fall of 8 to 224p. **Associated Dairies** encountered late offerings and closed 6 cheaper at 12p. Elsewhere, **Hazlewoods** attracted support following an investment *recommendation and firmed 10* to 204p, while **Bernard Matthews** added 5 to 130p following Press comment. After opening higher at 69p on overnight demand, **Huntley and Palmer** attracted further speculative interest and touched 72p before settling a net 3 up at 70p.

Pilkington wanted

Buyers supported **Pilkington** ahead of next Wednesday's interim results and the close was 11 higher at 293p, after 298p. Speculative buying accompanied by vague takeover *suggestions* helped **Rank Organisation** to jump 12 to 165p. **Turner and Newall** put on 4 to 89p as did **Trafalgar House**, 95p. Elsewhere in miscellaneous industrials **ICL** rose 4 to 51p following the Government's agreement to extend the term of its loan guarantees, while **William Press** added 3 more to 70p on news *that a subsidiary is included in* a consortium which has won a £150m Brazilian contract. Dry-cleaning shares were again well to the fore with some fairly persistent investment buying finding stock in short supply. **Johnson Group Cleaners** rose 11 more to 215p, **Initial Services** 9 to 231p and **Sketchley** 6 to 286p.

Sterling's strong performance stimulated fresh support for travel concerns; **Intasun** touched a 1981 peak of 99p before closing a net 2 up on the day and 14 higher on the week at 96p. **Horizon Travel** firmed 4 more to 292p.

Dealings at **Attwood Garages** *were suspended* at 95p at the company's request; the company subsequently announced the agreed purchase of Maybank Enterprises, a holding company whose principle interests are in *gravel, waste disposal and paper* conversion.

Leading Properties held close to overnight levels. **Capital and Counties** slipped to 107p before closing a penny off at 108p following the uninspiring half-year results. Rights issue suggestions clipped a couple of pence from **Great Portland Estates**, to 196p. Selected secondary issues came in for support, **Laganvale** adding 2½ to 28p and **Trafford Park Estates** 10 to 146p.

Oils improve

The return to profitable trading reported by the three leading refining and marketing companies stimulated a useful revival in the Oil sector in which trading became lively. **Shell** *advanced to close around the* day's best at 408p, up 12, but **BP** finished with a modest gain of 2 at 332p, after 326p. **Burmah** rose 5 to 124p and **Tricentrol** 12 to 268p. News that North Sea Sun Oil is expected to develop the Balmoral oil field directed attention to **Carless Capel**, up 9 at 153p, and **Gas and Oil Acreage**, 5 dearer at 465p; the two com*panies have an interest in block* 16/21b. **Charterhouse Petroleum** were briskly traded and closed 5 higher at 83p.

Textiles attracted fresh selective support. Comment on the half-year results prompted renewed support for **Courtaulds**, which advanced 5 for a gain of 8 to 74p since the announcement of the figures. Good annual results caused a jump of 10 to 63p in **Tomkinson Carpets**. **Coats Patons** revived with a rise of 2½ to 58½p, **Lister** rose 3 to 35p and **Tootal** 1¼ more to 31p, the last-mentioned still reflecting the proposed Australian assets sale.

In Rubbers, **Castlefield (Klang)** jumped 20 to 390p in belated response to the good results.

South African industrials featured **Greatermans A**, 550p, and **OK Bazaars**, 830p, up 40 and 30 respectively.

Golds steady

Another steady performance by precious and base-metal prices encouraged a good two-way business in mines.

South African Golds made good progress at the outset, as the bullion price mover up prior to closing $3 firmer at $412.50 an ounce, but encountered modest profit-taking which was only partly met by renewed bear closing.

Consequently, closing prices were little changed, as mirrored by the 0.2 decline in the Gold Mines index to 320.5.

Financials were mixed. Among the *South Africans*, **Anglo American Corporation** held at 685p following the interim resluts.

Rio Tinto-Zinc continued to feature London Financials as persistent and sizeable investment demand lifted the shares a further 12 to 480p—a week's gain of 28. **Gold Fields** hardened 2 to 482p.

Fresh support in overnight Sydney and Melbourne markets prompted widespread gains in Australians, although the sector tended to ease during the afternoon reflecting the strength of sterling against the Australian dollar.

The leaders showed **CRA** another 6 up at 180p. **Peko-Wallsend** 5 better at 350p and **Western Mining** 2 harder at 240p. **Hampton Areas** rose 4 more to 172p—30 higher on the week following persistent buying in a thin market.

Tins ended a lively week on a firm note. Takeover speculation lifted **Gopeng Consolidated** 27 to 520p, while **Kamunting** advanced 8 to 88p and **Sungei Besi** 5 to 205p. **Pengkalen** added 3 more to a 1981 high of 168p—54 up on the week—reflecting bid hopes.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Barclays Bank	465	+13	Initial Services	231	+ 9
British Aerospace	205	+ 1	Johnson Clnrs.	215	+11
BP	332	+ 2	Phoenix Timber	106	+14
Charterhouse Pet.	83	+ 5	Pilkington	293	+11
ICI	294	+10	RTZ	480	+12
Imperial Group	69	+ 2	Shell Transport	408	+12

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
RTZ	18	468	+14	Brit. Aero	11	204	+ 1
GEC	16	773	− 3	Exco	11	174	+ 4
Plessey	14	337	− 8	ICI	11	284	− 2
Redland	14	166	− 6	Minorco	11	422	− 1
Burton	13	135	+ 8	Barclays Bk	10	452	+ 4
Eagle Star	13	332	+ 6	Racal Elec	10	415	+10
Ward (T.W.)	12	196	+ 8	Thorn EMI	10	447	− 1

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
GEC	107	773	+33	ICI	77	284	+ 6
RTZ	94	468	+ 8	Metal Box	74	162	+ 6
Brit. Aero	88	204	+12	Exco	73	174	− 4
Shell Trans	83	396	+20	P. & O. Defd.	72	123	− 1
Ward (T.W.)	80	196	+52	Ryl Bk Scot	67	188	+11
Plessey	78	337	—	Cable & Wire	63	194	+ 1
BP	77	330	+22	Scot. & New.	63	53	+ 1

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Nov. 27, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Nov., 26 Index No.	Wed. Nov. 25 Index No.	Tues. Nov. 24 Index No.	Mon. Nov. 23 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (209)	349.44	+0.8	9.97	4.52	12.36	346.53	345.27	340.55	338.18	297.78	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	305.83	+1.5	14.76	5.64	7.75	301.21	298.45	293.51	286.94	250.44	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	525.09	+1.3	18.07	5.27	6.47	515.60	510.74	503.14	499.92	424.62	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1194.02	+0.8	7.64	2.40	16.34	1184.64	1179.60	1167.92	1156.14	977.03	1266.15 (28/8)	838.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (9)	491.12	+0.2	12.90	5.65	9.05	490.28	489.62	479.55	484.56	373.00	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (66)	190.13	+0.3	11.14	5.73	11.46	189.48	189.40	187.12	187.29	183.41	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (12)	166.27	−0.3	8.29	7.30	16.31	166.72	167.82	164.64	165.31	150.91	192.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	94.51	+1.1	—	7.19	—	93.44	93.33	91.23	90.45	95.29	112.76 (1/5)	82.73 (6/11)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	366.01	+0.8	9.07	6.19	13.37	363.16	362.01	356.13	355.71	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (198)	269.43	+0.3	13.30	6.12	9.25	268.76	268.64	266.14	266.44	246.38	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	274.40	+0.1	16.38	7.06	7.35	274.19	274.41	272.00	272.64	279.02	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	264.13	+0.1	15.57	6.44	7.75	263.83	264.69	262.64	264.46	219.75	277.87 (3/9)	204.17 (14/1)	277.87 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (15)	537.93	−1.1	9.88	3.64	12.24	544.05	543.99	540.46	542.81	457.90	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	346.96	−0.7	9.05	4.62	12.99	349.57	349.95	349.60	350.55	247.36	363.73 (3/9)	245.38 (14/1)	363.75 (3/9/81)	175.38 (28/5/80)
29	Leisure (24)	422.28	—	9.57	5.21	12.99	422.35	423.31	420.92	417.60	361.44	476.41 (14/8)	327.50 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	478.06	+0.4	12.89	6.31	11.24	476.13	476.11	476.02	474.57	441.35	526.15 (11/5)	414.73 (28/9)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	131.98	+0.6	15.62	8.16	7.63	131.17	131.16	130.00	129.15	123.30	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (46)	241.95	+0.3	11.84	5.57	11.33	241.20	239.95	237.29	237.43	254.85	294.06 (30/4)	211.94 (26/10)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	157.62	+2.9	9.66	6.26	13.51	153.13	149.32	148.66	142.88	124.05	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	256.38	+2.7	22.57	10.17	5.09	249.67	251.92	244.94	243.07	206.60	271.22 (29/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (14)	251.94	—	7.38	7.17	24.50	251.95	254.19	247.46	248.89	0.00	311.40 (1/5)	229.84 (28/9)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (80)	224.90	+1.7	10.74	6.15	12.03	221.08	221.74	219.61	219.48	224.13	249.19 (30/4)	191.89 (28/9)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (16)	297.50	+2.5	5.36	6.03	31.32	290.14	292.04	289.01	288.75	[illegible]	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (4)	113.56	+5.4	16.10	7.75	7.42	107.76	107.38	104.15	105.24	105.06	129.79 (22/4)	92.79 (30/10)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	494.54	−0.2	21.67	7.47	5.49	495.46	498.37	496.36	493.68	576.03	644.76 (24/4)	430.18 (28/9)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (47)	283.13	+0.9	12.12	5.61	10.23	280.69	280.63	278.66	278.45	276.18	314.68 (3/9)	240.93 (28/9)	314.68 (3/9/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (487)	290.40	+0.7	11.69	5.51	10.59	288.49	288.12	284.98	284.33	262.16	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (13)	770.61	+1.6	18.47	7.32	6.13	758.40	761.29	755.94	744.41	1042.60	923.71 (2/1)	588.96 (28/9)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	329.29	+0.8	12.96	5.85	9.33	326.55	326.44	323.12	321.60	323.77	353.39 (17/8)	276.00 (28/9)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	258.73	+0.6	—	5.87	—	257.07	256.76	255.53	253.86	244.06	279.45 (1/9)	223.02 (28/9)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	289.20	+2.6	30.87	6.51	3.81	281.95	278.77	275.47	272.47	247.54	289.20 (27/11)	220.84 (11/3)	289.20 (27/11/81)	62.44 (12/12/74)
63	Discount Houses (9)	255.08	+0.1	—	8.68	—	254.85	250.35	249.61	250.74	298.56	314.03 (20/3)	227.70 (29/9)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	225.76	+1.3	13.78	8.19	10.05	222.80	219.40	215.57	215.89	218.72	274.53 (25/3)	186.09 (28/9)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (9)	257.70	—	—	6.21	—	257.58	258.20	256.44	255.97	253.34	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	162.55	−0.4	—	8.24	—	163.14	162.77	163.35	160.81	156.52	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	417.85	−0.2	11.14	5.80	12.15	418.80	427.30	429.15	424.98	335.86	443.91 (11/9)	294.21 (20/1)	443.91 (11/9/81)	65.86 (16/12/74)
68	Merchant Banks (12)	151.51	+0.8	—	5.39	—	150.26	150.05	149.14	151.59	159.74	179.36 (2/7)	127.53 (28/9)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (50)	458.22	−0.1	4.53	3.13	29.68	458.61	461.14	459.31	456.75	455.94	517.77 (2/4)	377.11 (28/9)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (12)	173.98	+1.0	17.32	6.06	7.06	172.21	171.03	169.34	171.11	170.53	186.99 (13/8)	145.06 (28/9)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (110)	287.35	—	—	5.62	—	287.24	285.73	282.34	284.06	293.88	332.90 (17/8)	257.70 (28/9)	332.90 (17/8/81)	71.65 (13/12/74)
81	Mining Finance (4)	242.00	+1.5	14.24	5.85	8.45	238.54	234.05	228.08	227.48	251.91	296.26 (14/8)	209.76 (6/2)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (17)	412.69	−0.2	12.78	7.71	9.55	413.34	412.70	413.19	414.71	444.16	488.51 (18/5)	369.85 (28/9)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	313.15	+0.8	—	5.87	—	310.80	310.41	307.47	306.17	307.53	338.64 (17/8)	265.85 (28/9)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri., Nov., 27	Day's change %	Thurs., Nov., 26	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.49	+0.27	106.21	—	9.74
2	5-15 years	103.55	+0.15	103.39	—	11.21
3	Over 15 years	105.32	+0.18	105.13	—	12.60
4	Irredeemables	113.72	—	113.72	—	13.50
5	All Stocks	104.83	+0.20	104.62	—	11.12
6	Debentures & Loans	80.91	+0.03	80.89	—	10.60
7	Preference	60.10	—	60.10	—	6.68

	AVERAGE GROSS REDEMPTION YIELDS		Fri. Nov., 27	Thurs., Nov., 26	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	13.18	13.22	11.64	14.17 (26/10)	11.20 (20/3)
2	Coupons	15 years	13.47	13.49	11.62	14.49 (26/10)	11.86 (20/3)
3		25 years	13.44	13.44	11.62	14.53 (26/10)	11.80 (6/1)
4	Medium	5 years	15.37	15.44	13.17	16.80 (26/10)	12.91 (20/3)
5	Coupons	15 years	15.29	15.29	13.36	16.45 (26/10)	13.32 (20/3)
6		25 years	14.76	14.77	13.08	15.90 (28/9)	13.03 (20/3)
7	High	5 years	15.30	15.34	13.16	16.62 (26/10)	12.93 (20/3)
8	Coupons	15 years	15.50	15.51	13.58	16.59 (26/10)	13.54 (20/3)
9		25 years	15.01	15.03	13.25	16.08 (28/9)	13.15 (20/3)
10	Irredeemables†		12.94	12.93	11.23	14.22 (2/10)	11.35 (20/3)
11	Debs & Loans	5 years	16.07	16.09	14.25	17.13 (27/10)	13.60 (12/1)
12		15 years	15.99	15.99	14.02	17.11 (28/9)	14.16 (20/3)
13		25 years	15.99	15.99	13.79	17.11 (28/9)	14.17 (23/3)
14	Preference†		16.49	16.49	14.63	16.83 (29/10)	14.28 (24/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
80	F.P.	—	84	80	✤A & G Sec. Elecs.5p	82	......	b2.75	2.5	3.0	2.5
70	F.P.	30/11	73	68	✤Acsis Jewellery	70	......	u3.7	2.0	7.6	(7.6)
—	F.P.	4/12	850	775	✤Asprey	825	......	35.0	3.3	6.1	6.0
168	F.P.	8/1	205	191	Cable & Wireless 50p	197	+3	b6.5	2.0	4.6	15.6
35	F.P.	—	35	33	✤City Site	34	......	b0.5	1.2	2.1	56.4
140	F.P.	—	187	170	Exco 10p	172	−2	b4.5	2.2	3.7	17.3
—	F.P.	—	9	9	F&C Enter. Warrants	9	......	—	—	—	—
90	F.P.	4/12	105	95	✤Feedback 10p	100	+2	b2.0	3.0	2.9	18.7
—	F.P.	9/12	50	41	✤Gr'nw'hCable&Cm	41	......	—	—	—	—
10½	F.P.	2/12	18	14	✤Humberside El. 10p	18	+1	—	—	—	—
65	F.P.	2/12	76	69	✤JohnstonesP'int10p	75	......	b3.55	2.5	6.7	7.8
100	F.P.	—	104	100	NewAustraliaInv.50p	101	......	—	—	—	—
—	F.P.	—	7	7	Sampang Java 2½p	7	......	—	—	—	—
67	F.P.	18/12	70	68	✤Sheldon Jones	70	......	u3.5	2.4	7.1	7.9
—	F.P.	—	33	32	✤Television South 10p	33	......	—	—	—	—
62	F.P.	4/12	64	60	✤V.W.	61	......	bd3.84	2.3	9.0	5.7
—	F.P.	—	5	4½	Viners 1p	4½	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price	+ or −
‡	F.P.	26/10	83½p	81p	Asprey 9% Cum. Prf.	85p	......
‡	F.P.	—	38p	38p	Cater Ryder 4.2 2nd. Cum. Prf.	38p	......
55p	F.P.	—	53p	52p	City Site Ests. 10% Cnv. Cum. Red. Prf.	52p	......
‡	F.P.	10/12	103	102	E. Worcs Waterworks 10½% Rd. Prf. '86	103	......
100	£10	—	13	12	Essex Water 10% Red. Prf. 1986	13	+½
51p	F.P.	—	54p	52p	Inchcape 5½% Cum. Red. Prf. 1990/5	54p	......
‡	F.P.	—	142p	135p	Mcleod Russell 8.4% Cnv. Red. Cum. Prf.	142p	......
100	F.P.	—	100½	100	Nat'wide Bdg.Society 15¼% Bds (24/11/82)	100½	......
£1	F.P.	13/11	102½	100½	Staffs. Pots. 10% Cnv. Cum. Prf.	102	......
‡	F.P.	—	88	86	‡Television South Loan '86-88	88	......
—	F.P.	—	135	115	Viners 10% Cnv. Loan 1988	115	......

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ○	Latest Renunc. date □	1981 High	1981 Low	Stock	Closing price p	+ or −
275	125p	13/7	2/12	182	104	BP	182	+4
20	F.P.	13/11	11/12	29	20¼	Brown & Jackson	29	+2
2.5A$	Nil	—	—	64pm	60pm	C S R	64pm	+4
14	F.P.	27/11	6/1	22	18	Lancaster (D.M.)	21	−1
126	Nil	2/12	15/1	17pm	8pm	Northern Foods	9pm	+1
50	Nil	—	—	½pm	¼pm	Strong & Fisher	¼pm	......
50cts	Nil	—	—	117pm	106pm	T N T	106pm	......
20	F.P.	13/11	15/12	45	33	Websters	42	−1

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *h* Assumed dividend and yield after scrip issue. *m* Interim since increased or resumed. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✶ With warrants. †† Dealings under special Rule. ✤ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Issued as a unit comprising 33 Ordinary and £5 Loan 1986-88.

FINANCIAL TIMES STOCK INDICES

	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 20	A year ago
Government Secs.	64.40	64.36	64.70	64.12	63.96	64.49	70.59
Fixed Interest	64.65	64.58	64.54	64.16	64.29	64.49	71.88
Industrial Ord.	533.4	526.1	526.2	520.0	517.8	520.2	494.2
Gold Mines	320.5	320.7	316.4	298.2	298.7	304.2	499.4
Ord. Div. Yield	5.69	5.74	5.71	5.76	5.80	5.77	7.18
Earnings, Yld. % (full)	9.74	9.76	9.75	9.84	9.91	9.64	16.05
P/E Ratio (net) (*)	13.14	13.13	13.15	13.03	12.94	13.47	7.65
Total bargains	18,340	17,901	18,400	17,090	18,015	17,334	19,484
Equity turnover £m.	—	149.32	137.12	111.80	134.08	172.37	139.51
Equity bargains	—	13,579	13,822	13,075	13,732	16,900	15,499

10 am 524.7. 11 am 527.9. Noon 530.3. 1 pm 530.6. 2 pm 530.6. 3 pm 530.6.

Latest Index 01-246 8026.

*Nil=11.70.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	60.17 (28/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	61.61 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/8)	282.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 26	Nov. 25
—Daily		
Gilt Edged Bargains	167.0	226.0
Equities Bargains	88.0	89.6
Value	301.6	277.1
5-day Avrge.		
Gilt-Edged Bargains	192.5	193.2
Equities Bargains	90.8	92.2
Value	284.9	285.5

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (26)

BRITISH FUNDS (3)
Treas 8½pc '80-82 Treas. 9½pc '83
Treas. 3pc 1982

INTERNATIONAL BANKS (1)
Mexico 16½pc 2008

BANKS (1)
Lloyds

BEERS (1)
Greene King

BUILDINGS (2)
BPB Inds. Benford Machinery

CHEMICALS (1)
Intl. Paint

ELECTRICALS (2)
Amstrad BSR

INDUSTRIALS (6)
Harris (Ph.) Pritchard Services
Pauls & Whites Sketchley
Pentland United Carriers

LEISURE (1)
Intasun

NEWSPAPERS (2)
Link House Routledge Kegan Paul

PAPER (2)
Bunzl Pulp Saatchi & Saatchi

TEXTILES (2)
Dawson Intl. Tomkinsons

TRUSTS (1)
Ailsa

MINES (1)
Pengkalen

NEW LOWS (6)

CANADIANS (1)
Massey Ferguson

ENGINEERING (1)
Bristol Channel

MOTORS (1)
Arlington Motor

TRUSTS (1)
Kitchen Taylor

OIL & GAS (1)
Warrior Res.

RUBBERS (1)
Anglo-Indonesian

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	75	—	17	226	162	72
Corpns Dom and Foreign Bonds	4	—	59	69	59	237
Industrials	277	167	912	1,544	882	4,355
Financial and Props	82	90	336	691	379	1,474
Oils	32	22	51	[illegible]	99	266
Plantations	2	5	15	17	18	79
Mines	37	41	90	285	145	410
Others	21	9	119	234	179	329
Totals	530	334	[illegible]	3,226	1,923	7,222

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Thursday, November 26, 1981.

Health and H'sehold Products	+32.38	Insurance (Composite)	+10.78
Insurance Brokers	+31.08	Mechanical Engineering	+10.48
Contracting, Construction	+27.51	Financial Group	+ 9.51
Other Industrial Materials	+26.36	All-Share Index	+ 5.44
Tobaccos	+25.08	500-Share Index	+ 6.43
Food Manufacturing	+24.98	Office Equipment	+ 6.15
Electricals	+23.74	Other Consumer	+ 5.80
Engineering Contractors	+23.34	Mining Finance	+ 4.65
Textiles	+22.82	Brewers and Distillers	+ 4.17
Building Materials	+22.36	Property	+ 3.05
Metals and Metal Forming	+21.39	*Investment Trusts*	+ 7.90
Leisure	+21.01	Merchant Banks	+ 1.38
Capital Goods	+20.59	Motors	+ 1.36
Food Retailing	+16.92	Other Groups	+ 0.22
Packaging and Paper	+14.59	Stores	− 2.34
Banks	+14.21	Chemicals	− 2.36
Industrial Group	+13.83	Overseas Traders	− 3.51
Hire Purchase	+12.92	Shipping and Transport	− 7.82
Consumer Group	+12.86	Discount Houses	−12.18
Newspapers, Publishing	+12.05	Oils	−18.32
Insurance (Life)	+11.62	Gold Mines Index	−21.30

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov 30	Dec 11	Mar 11	Mar 22
Dec 14	Dec 29	Mar 25	Apr 5
Jan. 4	Jan. 15	Apr. 15	Apr. 26

For rate indications see end of Share Information Service

Money was given for the call of Britannia Arrow Chloride, British Home Stores, Dunlop, Rothmans, Royal Bank of Scotland, NCC, ICL, Provident Financial, Unitech, Claremont Petroleum and Amalgamted Distilled Products. Royal Bank of Scotland were dealt in for the put, while double options were arranged in Racal and Royal Bank of Scotland.

LONDON TRADED OPTIONS

Nov. 27 Total Contracts 3,038. Calls 2,649. Puts 389.

Option	Ex'rcise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP (c)	240	98	25	104	—	—	—	332p
BP (c)	280	58	3	64	—	—	—	"
BP (c)	300	41	104	46	5	54	5	"
BP (c)	320	30	105	—	—	—	—	"
BP (c)	330	—	—	27	—	38	6	"
BP (c)	350	14	213	—	—	—	—	"
BP (c)	360	—	—	17	90	—	—	"
BP (c)	380	4	12	—	—	—	—	"
BP (c)	410	1½	3	—	—	—	—	"
BP (p)	300	6	40	13	—	20	—	"
BP (p)	320	11	36	—	—	—	—	"
BP (p)	330	—	—	22	—	30	25	"
BP (p)	350	—	—	40	56	—	—	"
CU (c)	130	12	6	17	1	19	—	133p
CU (c)	140	7	—	11	1	15	4	"
CU (c)	160	2	—	4	10	—	—	"
Cons. Gld (c)	500	20	2	35	—	50	1	484p
Court'lds (c)	50	24	6	28	10	30	—	74p
Court'lds (c)	60	15	83	19	12	20	21	"
Court'lds (c)	70	7½	144	10	54	13	66	"
Court'lds (c)	80	2½	120	—	—	—	—	"
GEC (c)	700	95	1	117	—	140	—	779p
GEC (c)	750	50	4	75	—	97	—	"
GEC (c)	800	25	14	40	—	67	—	"
GEC (p)	800	35	1	44	—	52	—	"
Gr'd Met. (c)	160	22	1	29	1	34	—	177p
Gr'd Met. (c)	180	9	11	16	—	21	—	"
Gr'd Met. (c)	200	4	10	8	—	—	—	"
Gr'd Met. (p)	160	5	1	11	—	15	—	"
Gr'd Met. (p)	200	28	—	30	5	—	—	"
ICI (c)	260	42	41	46	—	56	—	296p
ICI (c)	280	23	90	32	111	42	—	"
ICI (c)	300	12	68	20	13	28	1	"
ICI (p)	260	4	1	10	60	14	—	"
ICI (p)	280	10	5	15	—	20	—	"
ICI (p)	300	18	4	24	—	28	—	"
Land Sec. (c)	336	8	8	—	—	—	—	317p
Land Sec. (c)	360	—	—	5	5	—	—	"
Mks & Sp. (c)	120	14	10	18	—	23	—	128p
Mks & Sp. (c)	130	7½	6	13	—	18	—	"
Mks & Sp. (c)	140	3½	40	7½	—	—	—	"
Shell (c)	360	54	3	62	—	72	—	408p
Shell (c)	390	29	20	40	38	46	15	"
Shell (c)	420	14	3	24	—	—	—	"
Shell (p)	360	3	3	10	—	16	—	"
Shell (p)	390	9	6	20	—	24	—	"
Shell (p)	420	22	—	26	2	—	—	"
		February		May		August		
Barclays (c)	420	60	4	66	—	78	—	463p
Barclays (c)	460	30	27	40	—	50	—	"
Imperial (c)	60	11½	290	12½	27	14	1	70p
Imperial (c)	70	5½	391	8½	104	8½	2	"
Imperial (p)	70	4	8	7	—	8½	—	"
Lasmo (c)	550	19	—	32	1	—	—	[illegible]
Lonrho (c)	70	15	22	18	—	20	—	81p
Lonrho (c)	80	7½	4	10	6	12	—	"
Lonrho (c)	90	4	5	5	—	—	—	"
Lonrho (c)	100	1	2	—	—	—	—	"
Lonrho (p)	70	3	—	4½	—	—	—	"
Lonrho (p)	80	6½	10	7	—	10	2	"
Lonrho (p)	90	11	10	14	—	—	—	"
Lonrho (p)	100	26	20	—	—	—	—	"
P & O (c)	120	15	—	18	1	—	—	128p
P & O (c)	130	10	—	14	10	22	6	"
P & O (c)	140	7	5	10	1	18	—	"
Racal (c)	420	28	2	46	—	58	—	420p
Racal (p)	360	8	—	13	10	—	—	"
Racal (p)	420	25	2	38	—	38	—	"
Racal (p)	460	48	8	58	41	—	—	"
RTZ (c)	420	92	2	102	1	115	—	479p
RTZ (c)	460	52	33	77	3	84	1	"
RTZ (c)	500	37	25	57	—	—	—	"
RTZ (c)	550	22	14	35	—	—	—	"
RTZ (c)	600	16	19	25	—	—	—	"
RTZ (c)	650	9	11	—	—	—	—	"
RTZ (p)	420	8	—	11	14	15	—	"
RTZ (p)	500	38	6	48	—	—	—	"
RTZ (p)	550	77	10	83	—	—	—	"
Vaal Rfs. (c)	70	4	7	5½	—	6½	—	[illegible]
Vaal Rfs. (p)	60	3½	1	5½	—	8½	—	"
Vaal Rfs. (p)	70	8½	7	10	—	11	—	"

C=Call P=Put

هكذا من الاصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

L & C Unit Trust Management Ltd.
The Stock Exchange, London EC2N 1HA 588 2800

L&C Inc. Fund	164.1	169.2	+1.6	8.86
L&C Intl & Gen Fd	130.9	135.0	-4.8	1.64

Legal & General (Unit Tst., Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis	95.8	101.4	----	4.44
Equity Acc.	131.6	142.1	----	4.44
Gilt	110.9	116.7	----	8.23

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114.

Leo Distribution	121.6	128.8	----	0.42
Leo Accum.	144.1	152.9	----	0.42

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

Balanced	73.5	79.0	+0.3	4.75
Do. (Accum.)	115.2	123.8	+0.4	4.75
Energy Int.	45.9	49.3	+0.1	1.94
Do. (Accum.)	46.6	50.1	+0.1	1.94
Extra Income	59.3	63.7	+0.2	9.49
Do. (Accum.)	84.3	90.6	+0.3	9.49
Income	95.2	102.3	+0.6	7.21
Do. (Accum.)	156.8	168.6	+1.0	7.21
Int. Technology	77.5	83.3	-1.0	0.58
Do. (Accum.)	78.9	84.8	-1.0	0.58
N. American & Gen.	50.5	54.2	----	1.22
Do. (Accum.)	51.4	55.2	----	1.22
Pacific Basin	46.9	50.4	-0.2	1.00
Do. (Accum.)	46.9	50.4	-0.2	1.00
Small Cos. & Recy.	56.5	60.7	+0.3	2.87
Do. (Accum.)	59.3	63.7	+0.4	2.87
Worldwide Gwth.	87.1	93.6	+0.1	2.32
Do. (Accum.)	116.2	124.9	+0.1	2.32
Exempt Nov 3	104.9	110.4	----	8.26

Unauthorised. For tax exempt funds only.

Lloyd's Life Unit Tst. Mngrs. Ltd.

INSURANCE PROPERTY BONDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

CANADIANS—Continued

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- Figures or report awaited.
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; £ ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	53	......	Conv. 9% '80/82	£93¾	......
Bertrams	17	......	Nat. 9¾% 84/89	£70	......
Bdg'wtr. Est. 50p	435	......	Fin. 13% 97/02	£74⅝	......
Craig & Rose £1	£19	......	Alliance Gas	70	......
Finlay Pkg. 5p	29½	......	Arnott	225xd	......
Graig Ship. £1	£19	-2	Carroll (P.J.)	82	......
Higsons Brew	78xd	......	Concrete Prods.	90	......
Holt (Jos) 25p	525	......	Heiton (Hldgs.)	24½	+½
I.O.M. Stm. £1	150	......	Irish Ropes	38	......
Pearce (C. H.)	700	......	Jacob	62	......
Peel Mills	125	......	T.M.G.	18	......
Sheff. Refrshmt	50	-1	Unidare	56	......
Sindall (Wm.)	190	......			

OPTIONS

3-month Call Rates

Industrials		House of Fraser	13	Utd. Drapery	6½
A. Brew	6½	I.C.I.	18	Vickers	15
BOC Ind.	11	"Imps"	5	Woolworths	4½
B.S.R.	7½	I.C.L.	5	**Property**	
Babcock	9	Ladbroke	13	Brit. Land	7
Barclays Bank	36	Legal & Gen.	20	Cap. Counties	10
Beecham	17	Lex Service	9	Land Secs.	30
Blue Circle	30	Lloyds Bank	28	MEPC	20
Boots	13	"Lots"	3½	Peachey	15
Bowaters	29	London Brick	6½	Samuel Props.	13
Brit. Aerospace	17	Lucas Inds	18	Town & City	2¾
B.A.T.	25	"Mams"	11	**Oils**	
Brown (J.)	6	Mrks. & Spncr	10	Brit. Petroleum	28
Burton Ord.	12	Midland Bank	26	Burmah Oil	11
Cadburys	3	N.E.I.	7	Charterhall	6
Courtaulds	5½	Nat. West. Bank	30	KCA	12
Debenhams	7	P & O Dfd.	9	Premier	7
Distillers	16	Plessey	26	Shell	28
Dunlop	6½	Racal Elect.	34	Tricentrol	25
Eagle Star	25	R.H.M.	5	Ultramar	40
F.N.F.C.	4	Rank Org. Ord.	14	**Mines**	
Gen. Accident	30	Reed Intnl.	25	Charter Cons.	21
Gen. Electric	35	Sears	5	Cons. Gold	40
Glaxo	32	Tesco	5	Lonrho	7
Grand Met.	15	Thorn EMI	30	Rio T. Zinc	45
G.U.S. 'A'	36	Trust Houses	11		
Guardian	30	Tube Invest.	12		
G.K.N.	12	Turner & Newall	7½		
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday November 28 1981

WOMAN IN THE NEWS

Candour, but few facts

BY ELINOR GOODMAN

EXACTLY A year ago today Mrs Shirley Williams told her local Labour Party in Hartford and Stevenage that she did not want to be considered again as their Labour candidate. Her decision came as a blow to the Labour leader, Mr Michael Foot, who feared that the party was in danger of losing one of its biggest electoral assets.

Just how well-founded these fears were was proved by Mrs Williams's spectacular win at Crosby this week. The result was a personal triumph for her. The SDP would almost certainly have won without her, but the size of the party's majority owed much to Mrs Williams's own personal appeal, particularly among traditional working-class voters.

Mrs Williams always has been a very good campaigner,

Shirley Williams
Inspires affection among the public

ever since she first stood for a Labour seat in 1954, and in the past three weeks in Crosby she has been at her best. Meeting people in the street, her head slightly cocked, and her eyes fixed earnestly on whomever she is talking to, she shows all the warmth and directness which made her one of that rare breed of politicians who actually inspires affection among the public. Rushing through the streets, her trenchcoat tightly belted like a badly packed parcel, she has also shown her vast reserves of energy, which is another of her strengths.

And, at her packed public meetings, she has shown what she herself believes is one of her strengths—namely, the ability to explain complicated ideas simply. Meanwhile, at the daily press conferences, she has demonstrated what one of her old Labour colleagues sees as her greatest gift: the ability in his words, "to flannel gracefully." When asked about policy, she has either replied with a stream of facts, which has made the questioner wish he had kept quiet, or responded with unanswerable candour, that the SDP cannot yet be committed to any particular policy, as it does not yet have a constitution.

But her strengths are, to some extent, her weaknesses. People can relate to Mrs Williams—or Shirley, as she is invariably called by people in the street—because she is, with her almost chronic inability to keep time and her wayward hair, so palpably human. But some of those same human frailties also make her difficult to work with and, in the view of some of the SDP MPs, mean that she is not suited to the job of leading the party at Westminster. According to one of her colleagues, she has a "positive contempt" for organisation. Her indecisiveness has become part of political mythology, though one she has made up her mind, she can be quite ruthless. There is a decidedly bossy side to Mrs Williams, as well as the nice one so beloved by the public.

She herself gets sick of her super-nice image, as it tends to obscure the fact that she is a very serious politician with an excellent mind, and considerable experience of government as a former Education, and then Prices Minister. All of which make her a strong candidate for the leadership.

The leadership issue will not be solved for almost a year. In the short term, the more interesting question is how Labour MPs will react to Mrs Williams at Westminster. Her ties with the Labour Party were as deep and emotional as any Labour MP's and her presence in the Commons will be a powerful reminder of what has happened to the Labour Party over the last year. For it is not only among voters that Mrs Williams's magnetism has worked in the past. Some Labour MPs who have found it easy enough to jeer at Dr David Owen and Mr Bill Rodgers may find it more difficult to adjust to seeing Shirley on the other side.

MANAGEMENT TO OPEN GATES IN TEABREAK DISPUTE

BL tries to woo back strikers

BY CHRISTIAN TYLER, LABOUR EDITOR

BL IS to open the gates of its big Longbridge car plant in Birmingham on Monday morning in the hope that the three-week "teabreak strike" will end of its own accord.

The company will mount a publicity campaign over the weekend to persuade the strikers to go back.

Yesterday's announcement carried no threat of dismissal to those who refused to turn up, in contrast to previous management tactics. The company said it was confident that most of the strikers would be back by Tuesday. If they were not, the situation would be "re-assessed daily."

The strike is about the Longbridge management's attempt to retrieve a one-hour cut in the working week by reducing daily breaks. A total of 2,200 men have walked out and 6,000 have been laid off.

Production of 18,000 vehicles has been lost. Although stocks of Metros, Minis and Allegros made at Longbridge are not exhausted, dealers are running out of particular models.

BL is desperately anxious to make a good performance in the important January sales, particularly since the corporate plan recently submitted to the Government quotes new market share targets.

Mr Harold Musgrove, chairman of the light and medium cars division of BL Cars, said the company had spent many hours in discussion with the works committee and full-time union officials in an attempt to resolve the dispute.

"In view of this serious situation we have decided to call everyone at Longbridge in to work on Monday at normal starting times and everyone who turns up will be paid.

"We really cannot go on like this. We have to give a lead to our employees."

Advertisements in local newspapers will say that the company is presenting to the world an image of a business at war with itself over a cup of tea.

BL believes that the strikers have not fully understood the latest concessions in the dispute, in particular the plan to phase in the 11-minute rest period reduction over four months. At present rest periods are for 51 minutes a day.

The approach of Christmas could help explain the company's confidence that the strikers, having lost three weeks' wages, will return to work.

Mr Musgrove claimed to have received dozens of telephone calls from workers yesterday asking him to confirm that they would be paid as normal if they entered the gates on Monday.

Vauxhall strike, Page 3

Strike by Esso tanker drivers threatened after stewards' vote

BY BRIAN GROOM, LABOUR STAFF

THE THREAT of disruption to oil and petrol supplies grew again yesterday when Esso shop stewards voted to recommend an all-out strike by the company's 1,750 tanker drivers and distribution workers.

Their action follows decisions by Shell and Texaco stewards to call for a series of lightning one-day strikes over the 8.1 per cent pay offer made by all the companies.

Workers from all three companies will vote on the recommendations early next week and stewards will collate the votes on Wednesday before deciding what action to take.

Mr Jack Ashwell, national road transport secretary of the Transport and General Workers' Union, said the Esso stewards had decided on an indefinite strike because one-day stoppages would not have the same effect on distribution as at the other companies.

This was disputed by Esso, which said any stoppage would have a dramatic effect, hitting industry and public services as well as motorist.

Shell and Texaco emphasised that even one-day strikes would have severe effects on the public, although the TGWU claims the one-day strikes are aimed only at the companies' computer - assisted delivery schedules.

The three companies supply 51 per cent of the market. Esso has a market share of about 20 per cent. Mr Ashwell said the Esso drivers were "incensed" about the company's insistence that average gross earnings would rise to £182-184 under the offer. Some earned only the present basic of £105, which could come down to as little as £77 after tax

The uncertainty of the on-off strike threats of the past few weeks, along with the fact that BP drivers have settled for 8.1 per cent, cast some doubts as to whether there would be support for strikes in pursuit of the 11 per cent won by Mobil in the summer.

Chevron, whose 80 drivers are already on strike, said yesterday that many of its garages were out of petrol. But Chevron drivers who had been picketing other companies at a multi-company depot at Hemel Hempstead, hitting garages in North London, decided yesterday to end their action.

BP's new chairman, Page 15

Linwood car plant auction raises £5m

By Andrew Taylor

ABOUT £5m is thought to have been raised at the controversial auction of second-hand machine tools and factory equipment which ended last night at the former Talbot car plant Linwood, Scotland.

The auction, organised by Henry Butcher estate agents, valuers and chartered surveyors, was strongly opposed by trade unionists, local Labour MPs, councillors and Scottish Nationalists.

The sale was the biggest-ever European auction of second-hand machine tools and factory equipment and attracted worldwide interest with buyers from Europe, South Africa, the U.S., Canada and India. There was also strong interest from a wide range of British companies, including a number of small businesses.

The sum raised is nearer the lower end of earlier estimates

The highest price paid at the sale was £200,000 for a 1,600-tonne double action press. It was paid by a private agent for an unnamed client.

Among the major European buyers was Saab Scania which paid £150,000 for a 1,000 tonne press which will be going to the Swedish car manufacturers' Trollhattan plant. A new press would have cost the company between £350,000 and £400,000.

Henry Butcher, one of the country's leading auctioneers of second-hand machine tools, has said it expects to raise more than £30m from auctions this year compared with £25m in 1980.

Atlantic air fares likely to rise

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

NORTH ATLANTIC air fares, which were recently cut sharply by major airlines such as British Airways, Trans World and Pan American, are likely to rise by 5 to 10 per cent in January, with a further increase on April 1.

About 25 scheduled airlines flying the North Atlantic are meeting in Geneva next week under the auspices of the International Air Transport Association to try to find ways of cutting their losses on the routes. The current estimate is that losses will total $650m (£333m) this year. The meeting will be the first North Atlantic fares conference for five years.

According to IATA, the airlines on the route collectively have not made any money since 1970, and the number of empty seats is such that the equivalent of 56 Jumbo jets are flying empty on the route every day.

The possibility of an even worse result next year unless the decline in profitability is checked has forced IATA to call the Geneva meeting, in spite of the long-standing hostility of the U.S. Civil Aeronautics Board to agreements on fares between U.S. and foreign airlines.

Major U.S. airlines such as Pan American and Trans World which had quit IATA because of the CAB's attitude have now rejoined and will be at the meeting next week.

But because of the U.S. hostility, non-IATA airlines such as Laker Airways, a significant competitor on North Atlantic routes, will not be allowed to attend, even as observers.

The major airlines on the route which recently cut their fares sharply to meet competition from such airlines as Laker have found that their revenue yields are not keeping pace with rising costs, making fare increases essential.

The 5 to 10 per cent increase likely in mid-January is in line with fare rises already sought by IATA airlines for other world air routes, including Western Europe, in the New Year. In the case of the UK, such rises have been rejected by the Government, which believes that European air fares are too high.

The UK Government is likely to accept any North Atlantic air fare rises, however, because of the airlines' severe losses.

By contrast, the U.S. Civil Aeronautics Board claimed only this week that Atlantic air fares needed to be cut further to stimulate competition.

The airlines regard this attitude as evidence that the Civil Aeronautics Board is out of touch with reality.

The Geneva meeting is likely to be a difficult one, and may even end in failure to agree on a suitable pricing package for the North Atlantic. But because the airlines' position is desperate, there is a strong desire to reach some kind of agreement, even if it achieves less than many airlines would like to see.

NEB seeks 15% profit from sales

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE National Enterprise Board is to try to make an overall profit of about 10 to 15 per cent in the next four years on the sale of regional and high technology companies which it has helped to set up.

New financial aims which are expected to produce this scale of profit have been agreed between the board and the Industry Department. They were announced in the Commons yesterday, after a year's negotiations.

The Government wants to encourage the NEB, which operates as part of the British Technology Group, to produce enough profits to cover the cost of its borrowings, and to operate as much as possible like a private sector venture capital company.

The aims relate to the NEB's own profit and loss account. This means that the average returns from sales of part or all of companies such as INMOS, the microchip company, or NEXOS and DRI in other parts of the board's electronics portfolio, can be judged against the cost of the investments on which a 10-15 per cent profit is expected.

Previous targets set for the NEB related to capital employed and to the board's consolidated profit and loss account, thus including operating figures from the board's subsidiaries. Now that the NEB is expected to sell its investments when they become profitable, such a target is no longer applicable.

A complex formula has been devised to judge the NEB's performance on a cumulative basis for five years, from the beginning of this year. Comparisons will be made both to interest rates of the Government's National Loans Fund, from which it borrows most of its money, and to movements in the industrial group of the FT-Actuaries shares indices, which is based on 487 companies.

The link with the loans fund has been introduced by the Government to make the NEB become more self-sufficient. It is likely to produce the main requirement of a profit, primarily stemming from sales, of up to about 15 per cent.

This is broadly in line with financial requirements of the NEB's partner in the British Technology Group, the National Research Development Corporation.

The FT-Actuaries Industrial Group link has been chosen because the NEB wants to demonstrate to potential private-sector partners in its joint ventures that its performance can be compared with the private sector.

EEC Summit Continued from Page 1

for farm incomes, particularly those of small producers.

France, Italy and Greece are also continuing to seek new production aids for Mediterranean formers specialising in olive oil, fruit and vegetables.

Britain and West Germany, by contrast, want tighter controls on farm prices and production, and some overall limit on annual growth of CAP's costs.

Specifically, the Foreign Ministers must try, where the Heads of Government have failed, to agree on measures to prevent recurrence of dairy surpluses, to satisfy needs of Mediterranean farmers, to control the growth of CAP costs, and to agree a link between this and annual growth of the EEC budget revenues.

M Mitterrand said last night that an attempt to establish a relationship between CAP costs and budget revues would appear "a healthy principle," but that he was not in favour of fixing specific targets.

The summit's most solid achievement was to register nearly full agreement, subject to a settlement of the other elements of thepackage, on strengthening existing non-farm policies and development of new ones.

In particular it was agreed the Regional Development Fund should be expanded, and slanted more in favour of the least prosperous member-States.

The EEC special loan fund for energy infrastructure investture investments, the New Community Instrument, will also be expanded so that it is capable of loans totalling £1.8bn.

Weather

UK TODAY

SHOWERS, wintry in the far north.

London, S.E. England, Midlands
Mainly dry, sunny or clear periods. Max. 8C (46F).

E., N.E. England, Borders
Sunny periods, isolated showers. Max. 8C (46F).

S.W. England, S. Wales, N. Ireland
Scattered showers, clear periods becoming cloudy later. Max. 10C (50F).

N. Wales, N.W. England
Showers, sunny intervals. Max. 8C (46F).

Rest of Scotland
Showers, some wintry, bright intervals. Max. 5C (41F).

Outlook: Occasional rain in the South West. Elsewhere rather cold with wintry showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	16	61	L. Ang.†		—	—
Algiers	S	18	64	Luxmbg.	C	2	36
Amsdm.	R	10	50	Luxor	S	24	75
Athens	C	11	52	Madrid	S	13	55
Bahrain	C	25	77	Majorca	S	18	64
Barclna.	S	15	53	Malaga	S	19	66
Beirut	S	20	68	Malta	S	16	61
Belfast	F	7	45	M'chstr.	C	8	46
Belgrd.	F	4	39	Mx. C.†		—	—
Berlin	R	7	45	Miami†	F	19	66
Biarritz	S	20	68	Milan	F	7	45
Bmghm	C	8	46	Montrl †	R	1	34
Blackpl.	C	9	48	Moscow	C	−1	30
Bordx.	C	16	61	Munich	C	9	48
Boulgn.	C	11	52	Nairobi	F	26	79
Bristol	F	8	46	Naples	S	13	55
Brussels	R	8	46	Nwcstl.	F	8	46
Budpst.	Sn	1	34	N. York†	F	8	46
Cardiff	R	8	46	Nice	S	15	59
Cas'b'ca	S	20	68	Nicosia	F	20	68
Cape T.	S	22	72	Oporto	S	17	63
Chicg.†		—	—	Oslo	Sn	−1	30
Cologne	C	7	45	Paris	R	8	46
Cpnhgn.	R	8	46	Perth	C	17	63
Corfu	S	12	54	Prague	C	5	41
Denver†	F	4	39	Rykjvk.	Sn	−1	30
Dublin	F	7	45	Rhodes	C	15	59
Dbrvnk.	S	9	48	Rio J'o†		—	—
Ednbgh.	S	7	45	Rome	F	14	57
Faro	S	18	64	Salzbrg.	S	6	43
Frankft.	R	6	43	S F'cisc†	C	8	46
Funchal	F	21	70	S'tiago†		—	—
Geneva	C	2	36	Stckhm.	C	−3	27
Gibraltar	F	19	66	Strasbg.	C	7	45
Glasgow	S	7	45	Sydney		—	—
G'rnsey	C	11	52	Tangier	S	22	72
Helsinki	C	−3	27	Tenerife	F	25	77
Innsbrk.	C	4	39	Tokyo	C	11	52
Invrnss.	R	6	43	T'ronto†	C	6	43
I. o.Man	S	8	46	Tunis	F	17	63
Istanbul	C	9	48	Valencia	S	18	64
Jersey	C	11	52	Venice	S	5	41
L. Plms.	F	23	73	Vienna	R	4	39
Lisbon	S	16	61	Warsaw	Sl	2	36
Locarno	S	7	45	Zurich	Sn	4	39
London	R	11	52				

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

The wounded walk again

Even without the cut in clearing bank base rates that many investors had been hoping for, the stock market has had a good week. Gilt-edged prices have moved gently upwards despite some lumpy official sales, while the most notable feature in the equity market has been the sharp recovery in some depressed industrial stocks.

Over the last week alone Dunlop shares have risen by 10p to 70p, Courtaulds by 10p to 74p.

While the Imperial Group is up 6p at 69p. For most of the last couple of years the shares of companies like these have only performed better than the average when the market as a whole has been falling.

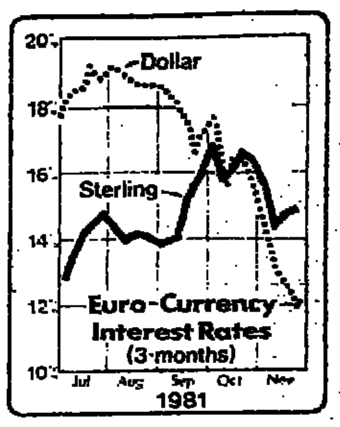
Courtaulds' interim figures on Thursday suggested that although demand may be nothing to write home about industrial companies are at last meeting it out of current production rather than by running down stocks. Business is ticking over again, and Dunlop may be reducing its UK tyre losses just as Courtaulds has wrestled its textile companies back near break-even. In the case of Dunlop, too, any fall in interest rates is especially valuable, while for Imperial, there is an increasing feeling that order is being restored to a rather disorganised outfit.

A higher exchange rate — the pound is up nearly 6 cents in the past week — is bad news for the likes of Courtaulds and Dunlop, but it increases the chance of lower UK interest rates. The upward pressure on sterling reflects the tightness of overnight money in London — where the daily credit shortage this week has been running at £250m or so — and the increasing differential that is opening up with New York as U.S. rates ease.

The Bank of England is apparently still worried about some features of the money supply picture—in particular personal loan demand. So it will want to be sure that the November money supply figures (due to be published on December 8) are unambiguously good before encouraging a lower structure of interest rates.

For the moment the Bank is conducting one of its ambitious holding operations, attempting to control the exchange rate, interest rates and the money supply simultaneously. Just as in the summer it was supporting the pound—thus draining the money markets—but trying to resist a rise in interest rates, so now it seems to be holding sterling down but aiming to keep the cost of money unchanged.

Index rose 7.3 to 533.4



Official sales of sterling may eventually lead to money supply problems, but they do keep the shortage in the money markets manageable. Still, there is a growing feeling that the authorities will have to resort to exceptional forms of money market help—such as buying gilt-edged stock off the banks for a period—some time this winter.

RTZ/Ward

RTZ's formal offer for Ward does not contain any striking new arguments in favour of the bid—but then it does not have to. Its convertible loan stock offer is now worth some 58 per cent more than Ward's share price before the bid was announced, which would normally be regarded as a generous premium. So it will be up to the defence to come up with a persuasive case for rejecting such terms.

Ward is not without ammunition. Its figures for the year to September were much better than the market had been expecting, and it is likely to forecast a useful increase for 1981-82. For its part, RTZ appears determined to succeed in what is its first major takeover bid for years. Ward shareholders should hold on tight—and the same applies to shareholders in Tunnel, who will receive a bid at an unspecified price from RTZ if it can succeed in acquiring Ward.

Building materials

The building materials sector has been leading a charmed existence. In spite of the collapse in volumes, the profits of most companies have been resilient, while sizeable gains have been chalked up by some. The initial reaction to the volume fall in 1980 was to raise prices, but there has been a switch in strategy in the current year as companies began looking for operating efficiencies. Investors have been pleasantly surprised at the benefits that have been obtained by cost cutting in this cosy corner of the economy. So the sector index has now climbed 22 per cent relative to the All-Share since the low point a year ago, and has been particularly buoyant this month.

Revised projections this week from the National Council of Building Material Producers do not point to any imminent recovery in demand. The council now expects a 3 per cent fall in demand next year and a recovery of only 4½ per cent in 1983. Taken with its lower 1981 estimate this means that demand in 1983 will be running 5 per cent lower than previously expected.

So, while reported profits will be showing a healthy trend in coming months, there may be some worried-sounding company statements emerging by next April or so. Higher prices are unlikely to be an attractive strategy, especially with evidence of the Monopolies Commission's continuing interest in the sector. Meanwhile, the easy rationalisation may have been achieved, and a further round of cutbacks is likely to prove both painful and expensive.

Rediffusion

Rediffusion has a knack of picking up dogs—but at least it is now becoming adept at getting rid of them. In February it disposed of control of its loss-making Hong Kong TV station. This week it arranged the sale—for a nominal sum—of the Dutch computer company it bought for £4.25m in 1979. Losses in the Dutch company probably account for the bulk of the 24 per cent fall in trading profits, although the reduction in borrowings thanks to the proceeds from the Hong Kong sale and the corresponding fall in the interest charge leaves pre-tax profits up 8 per cent halfway at £71m.

With the Dutch losses out of the way, the current half should see a more reasonable tax charge and accordingly the benefit to attributable earnings expected after the Hong Kong disposal. The trading portfolio now looks fairly healthy, with video, view-data and cable providing earnings growth potential from 1983 (and a safe home for any loose cash). The shares fell 13p yesterday to 167p, where the yield is 4.7 per cent.

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